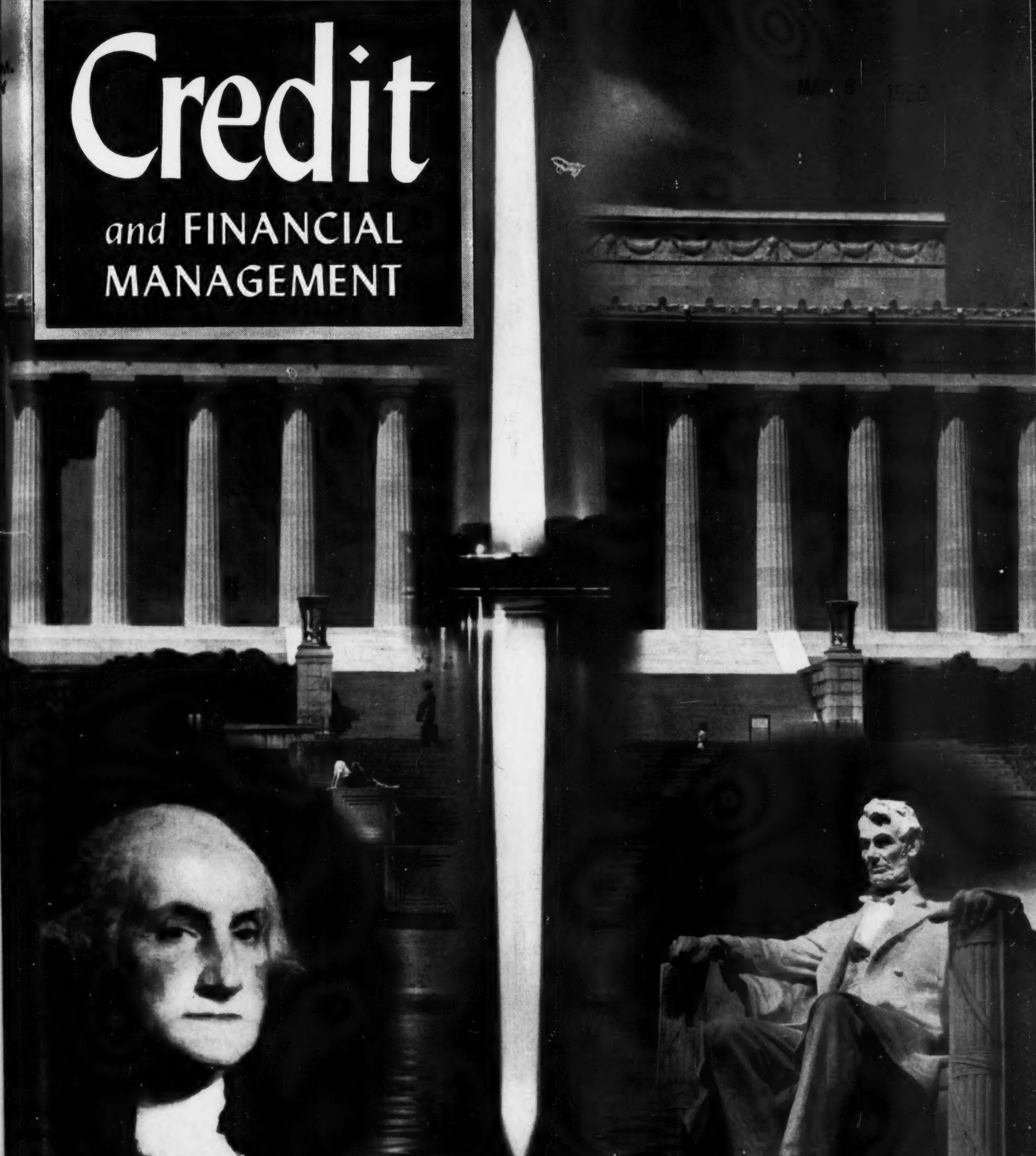
Credit

and FINANCIAL MANAGEMENT



"Allow me, moreover, to hope that it will be a favorite policy with you not merely to secure a payment of the interest of the debt funded but as far and as fast as the growing resources of the country will permit, to exonerate of the principal itself."

"The provident, penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all, gives hope to all and consequent energy and progress and improvement of condition to all."

February 1950

Famous American Homes

The Moore House
Within its Walls, a Turning Point in History

LORD CORNWALLIS was trapped. Pressing ever closer, the French and American armies were bombarding his position in Yorktown while the French fleet maintained a blockade by sea.

The time was October, 1781. Though the British had virtually abandoned their efforts to overcome the north, their army in Virginia had been struggling to conquer the south. At last, however, the siege of Yorktown became so critical that Cornwallis attempted to extricate his troops, only to have his plans thwarted by a sudden storm which scattered the boats in which he hoped to cross the York River. His position was desperate and on October 17 he asked Washington for terms of surrender.

Next day representatives of the British, French and American armies met under flags of truce to discuss terms. Finally, fourteen articles of capitulation were drawn up and submitted to Cornwallis with the demand that they be signed by eleven o'clock the following day. Cornwallis complied and about noon the allied armies marched into Yorktown and took up positions in the British line. While the combined pipers of the brave Scots Highland Brigade played "The World Turned Upside Down," the British troops marched out and laid down their arms. The long war was over; American independence had become a reality.

Around the table, terms of Cornwallis' surrender to Washington were drafted.

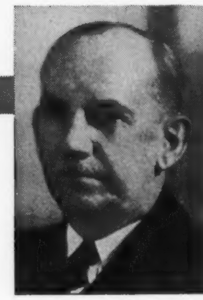
The momentous meeting at which the surrender terms were drafted was held in the Moore house located a mile from Yorktown on a bluff overlooking the York. Since the house was out of the direct line of fire, it had escaped destruction in the bombardment. The estate was acquired in 1769 by Augustine Moore, a merchant, but the date the house was constructed has been estimated by some to have been as early as 1725.

During the Civil War the house was damaged by shell fire and its shutters, doors and trim were used as fuel by the invading troops. For years thereafter, it suffered mistreatment while occupied by transient farmers until in 1881 it was repaired and enlarged for the centennial celebration of the surrender.

Then in 1930 when Yorktown and its environs were made a national monument, the Moore house was purchased by Mr. John D. Rockefeller, Jr. and presented to the government. During 1931-1934 after considerable research, the structure was restored to its appearance in 1781. Now one of the museums of the Colonial National Historical Park, administered by the National Park Service, the house within whose walls the historic meeting took place is permanently preserved.

* * *

Editorial



Credit is the life-blood of a nation

IN THIS, the birth month of two of our greatest presidents, people cannot help but be conscious of the problems they faced and the contributions they made to the establishment and maintenance of a new type of government. George Washington, the father of his country, risked his life and his fortune because he believed in a representative form of government. Abraham Lincoln sought to maintain this form of government. Had he lived, most people agree a fairer peace would have been written and greater post-war consideration given to the people who were unsuccessful in the war between the states, but who thoroughly believed in the justice of their cause.

Both these illustrious men had one problem that is not so evident. The real problem that faced Washington was a credit problem. The nation had not been organized. There was no stability of government. Strong character it had indeed, but there was a scarcity of capital and the capacity of the nation was yet to be demonstrated. The lack of credit was a constant problem throughout the revolutionary times. The starvation, suffering and misery of Valley Forge would never have occurred had the credit of the revolutionary forces been established. That probably is why, in all of the public pronouncements in the years that followed, the attainment of sound credit for the government was emphasized and re-emphasized.

In the war between the states the specter of a lack of credit, or difficulty in having credit accepted, loomed as one of the most difficult problems for both the northern and southern armies. Here again once the conflict was ended we turned to the necessary job of reconstructing our credit.

We of today might well remember the importance of credit to a nation. It would be wise to review the suffering that our forefathers endured because of a strained credit situation. Above all we who have witnessed the development of tremendous productive and distributive systems, and who have not only the opportunity but the essential factors at hand to keep our credit sound, should never jeopardize it through unwise fiscal policies. It is a tragic statement of fact that the lessons we ought to learn from our earlier credit problems have not been clearly kept in mind.

We must take heed lest the credit carefully built by those who had the greatest responsibility for the development of a representative form of government be liquidated by a prodigal program. Once credit is jeopardized the very future of a representative form of government becomes doubtful.

Henry H. Heimann

HENRY H. HEIMANN,
EXECUTIVE MANAGER

COMING EVENTS

1950

February 18-19
Southeastern Biennial Credit Women's Training Conference
Chattanooga, Tenn.

◆

March 3-4
Eastern Divisional Secretarial Conference
Washington, D. C.

◆

March 17-18
North-Central Credit Conference
St. Paul, Minn.

◆

March 23-24
Northwest Conference
Seattle

◆

May 14-18
54th Annual Credit Congress
Biltmore Hotel,
Los Angeles, Calif.

◆

October 12-14
All-South Conference
Shreveport

◆

October 19-21
Tri-State Conference
New York

◆

October 20-21
Ohio Valley Regional Credit Conference
Louisville, Ky.

◆

October 26-27
Tri-State Conference
Waterloo, Iowa

Credit and FINANCIAL MANAGEMENT

FEBRUARY, 1950

Official Publication of the National Association of Credit Men

VOLUME 52, NUMBER 2

CONTENTS

(Cover Photo by Harold M. Lambert from Frederic Lewis, N.Y.)

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Published on the 15th of each month by the National Association of Credit Men, 1309 Noble Street, Philadelphia 23, Pennsylvania. Entered as second class matter December 22, 1933, at the Post Office at Philadelphia, Pa., under the act of March 3, 1879. Subscription price $3.00 a year, 25c per copy; Canada, $3.50; all other countries, $4.00 postpaid.

An Engineer's Appraisal of

THE CURRENT OUTLOOK

by F. T. LETCHFIELD
Consulting Engineer and Assistant Vice President
Wells Fargo Bank & Union Trust Company

APPRAISALS of the business outlook at any given time are all too often predicated upon local conditions, events of the day or other factors which are the results rather than the causes of economic movements. I find also a surprising failure, on the part of many business men, to grasp the underlying significance of the changes wrought by the war in our national economy and especially upon the status of the Far West as a component of the nation's economic structure. With your permission, then, I should like briefly to review the panorama of American business to the end that we may better understand the happenings of today and their import for the future.

In 1790 when the first national census was taken, America had a population of 3,929,000. By 1850 there were 23 million but only 179,000 of these lived west of the Rockies. Today our population is crowding the 150 million mark but the most important factor is the redistribution of that population as a result of World War II. From 1850 to 1940 the center of population in the United States moved westward a longitudinal distance of only 325 miles—from southeast of Parkersburg, West Virginia, to Sullivan County, Indiana.

Just how much the war shifted people about and how much migration has taken place since the end of hostilities remains to be seen but it is likely that the census of 1950 will not only show the greatest relative shift in the center of population since the opening quarter of the last century but a sharp veering of its course toward the Southwest for there are 20 million people now living in the twelve western states and the war had a tremendous catalytic effect upon the western and northwestern perimeter of the Gulf of Mexico.

This growth in population and its more even distribution over the country has brought about another change of fundamental importance in the workings of our economic mechanisms. I refer to the obsolescence of the long haul theory under which we operated exclusively, well into the twentieth century. By that I mean the long haul of raw materials to centers of production and the long haul of finished goods to centers of distribution through the media of the jobber, wholesaler and retail outlets.

DUE to the great geographical distances of America, the fact that the country was settled from east to west, that our nation's birth coincided with the dawn of the so-called "Industrial Revolution" when manufacturing plants began to displace cottage industries and the fact that the Reveres, Winthrops and the other founders of our industries settled between the Charles River and Chesapeake Bay, it was inevitable that the long haul theory should govern. During all of the last century the density of population in any particular section of the United States had, roughly, an inverse relationship to its distance from the Atlantic Seaboard; thus the long haul practice was the most efficient.

It was inevitable, however, that a mechanism which functioned effectively during a period of pioneer development would be outmoded by a well distributed population of 150 million people, to say nothing of the tremendous changes in transportation facilities, the perfection of mass production techniques and, above all, perhaps the competitive urge to lessen the gap between manufacturing costs and prices to the ultimate user or consumer with its resultant pressure to shift the burden of inventories from the retailer to the shoulders of the manufacturer.

THE West, particularly California, has been the principal beneficiary of these changes in population and their influence upon our traditional long haul economy. An adequate discussion of the subject would require volumes but perhaps a case history will illustrate the point sufficiently for our purposes.

Before the war we assembled a maximum of 200,000 automobiles a year in California. Today the assembly plants in the state have an annual capacity of one to one and a half million cars and trucks. This means a demand for 5 million to 7½ million wheels each year.

Now anyone who has gone through a modern automobile wheel plant has seen steel strips about twelve inches wide seven or eight feet long and about an eighth of an inch thick fed into a series of auto-

matic machines which crimp, roll, weld and otherwise shape them into finished wheels at the rate of several a minute. An efficient line can turn out 2½ million wheels a year. To produce 3 million requires the installation of a second production line. Thus the market for automobile wheels in California today will support two to three complete wheel factories. The savings in transportation costs alone are too great to be ignored for a carload of strip steel moving to Los Angeles or San Francisco from Geneva, Utah, at $9.80 a ton, or from Fontana for considerably less, would make a half trainload of finished wheels which, if manufactured in Detroit, would cost $24.50 a ton to the Coast.

This is not to say that the center of gravity of American industries has moved from the Great Lakes to the Pacific Coast. Far from it—but it is indicative of a profound change which is taking place in the whole industrial pattern of America. It is concrete evidence of the forces which are compelling a decentralization of production not only to this section but also to the South, the Southeast and even in some instances from the Midwest to the Atlantic Seaboard. It does not mean that the Far West is a self-contained economic empire—as some westerners would like to think—but it does mean that the Pacific Slope is no longer an outland colony isolated by the Continental Divide. That concept should be relegated to the limbo of Indian uprisings and buffalo stampedes despite the fact that some eastern executives still find it difficult to alter their time-honored concepts in that respect.

IN THE long view, by far the greatest ultimate changes in our economic fabric caused by the war will come from the extraordinary growth of scientific knowledge under the forced draft of a conflict for survival. You will note that I use the future tense. This is necessary for two reasons. One is that it takes time for engineers to convert scientific findings into things of every day usefulness, and the other is that the war so dramatically emphasized the possibilities of organized, co-ordinated scientific research that it has become an integral and permanent component of our economic scheme of things. In the year before the war there were 14,000 employed in industrial research; today the latest count shows 187,000 people engaged in their laboratories.

I do not wish to infer that we have not already benefited from scientific progress born of the war. We have done so in countless ways but as yet have not applied a tithe of the knowledge and techniques inviting commercial exploitation. One reason for this—and perhaps the principal one— is that the abnormal sellers' market following the war drugged industry's incentive to produce new and better commodities. It confined most of its efforts in this direction to the development of more efficient tools and processes as an offset to skyrocketing wage scales. Even in this limited area results have been astounding. At the National Machine Tool Show in Chicago two years ago, there was hardly a tool displayed which had any resemblance to its wartime counterpart. The emphasis was all on automatic operation made possible through the wizardry of electronics.

ABOUT a year ago I visited a plant in Chicago where, among other things, they were making commutators for domestic refrigerator motors on one of these new automatic special purpose machines. At the beginning of each shift they load it with a coil of copper strip ¾" wide and 3/32" thick. They press the starter button, walk off and leave it. Four hours later they come back, empty the hopper of the commutators it has produced, put on another coil of copper and start it on its next four hour run. Yet this is classed as one of the simpler applications for they have machines which do the most intricate die sinking jobs automatically. Others inspect finished parts with an accuracy far beyond that of the human senses and there was one machine displayed in a working exhibit at the Tool Show which was cutting bevel gears automatically at the rate of three a minute compared to sixteen minutes for one gear as a wartime standard. Recently, there has been announced an electronic device which — by scanning a blueprint—automatically guides the cutting tools on a lathe to closer dimensions than even the skilled machinist can maintain.

SO FAR in this discussion I have endeavored to sketch in a few of the underlying forces which have been shaping our economy and to mention some of the elements which will influence the future. The method is, admittedly, a gross oversimplification of a very involved, complex subject and offers little, if any, help in appraising the current outlook for it takes no account of the imponderable political forces of both domestic and international origins which are today impinging simultaneously upon every segment of our national structure—economic, political and social. Because of this circumstance which so greatly increases the complexities of our problems and our confusions in dealing with them, it seems to me that any diagnosis must be largely limited to an appraisal of our potentials and a guess as to the likelihood of our attaining them.

When the guns ceased firing after World War II we saw a magnificent industrial machine, with hardly a pause to catch its breath, shift to a peacetime task which, in its physical dimensions, was greater by far than that it faced during war—huge as the latter was. We have watched it production rise to unbelievable heights despite continuous harassment from governmental interference with natural economic forces, crippling strikes, slow-downs and featherbedding by labor unions, and the uncertainties and tensions generated by the grim course of world affairs. Most remarkable of all, however, we have proven that our American economy does not even yet know its full capacity to produce wealth. Thus we have no limits by which to measure the standards of living to which we may aspire if our system of free enterprise is allowed to function as such. Need more be said concerning the potentials of our economy—our way of life? But what, as we must view it today, is the outlook for realizing those potentials? That is something else again. Let us take some bearings on our present position.

WE HAVE heard, and are hearing a great deal about free enterprise. Some of the loudest acclaim comes from the proponents of

government controls over this, that, and every segment of our economic life. There are even business men who advocate—and actually believe in—government controls over housing, credits and other components of our economic mechanism.

Now any student of history should know that a society such as ours either gravitates toward a completely regimented economy or maintains one which is wholly free. Anything in between simply won't work, as we have so conclusively demonstrated in this country over the past sixteen years with England currently furnishing additional proof. A planned economy is like the drug habit. They both start experimentally. They both require successively larger doses and in both cases you either leave them strictly alone or ultimately reap disaster. Nor does the analogy stop there for in each instance it is much easier to start than to quit.

The number of people in the United States who do not believe in the free enterprise system, nor value the personal freedom upon which it is based, is inconsequential, percentagewise. But the number who still do not yet realize that no part of a planned economy can be mixed successfully with a free enterprise system is disturbingly large. Only a short while ago President Truman said there is a difference between a controlled economy and a planned economy. Such a remark is evidence of the kind of muddled thinking which has prevented our attainment of anything like the peacetime conditions potential to post-war America and so long as it persists just so long will full recovery be delayed, recovery not alone from war, but likewise from the many idiocies we have practiced since 1933 in the pious name of social and economic reform. The bill for that orgy has yet to be paid and there are many items on the invoice. Let us glance at some of the entries. There is a large one called "Labor."

HISTORY is essentially a record of man's efforts to attain equilibrium in human relationships. There were the long, bitter struggles to obtain freedom from slavery, religious freedom, political freedom, and now we are groping for economic freedom for the individual. Our so called labor-management problems today are a phase in an age-old evolutionary process starting with the slave and owner relationship, then the servant and master and now the wage earner and employer. Each stage required centuries to move definitely and finally to the next higher and more intelligent level.

Here in America individual freedom found its fullest expression, for it was implemented and safeguarded politically. Because of it we have made greater progress than any other nation toward achieving equity between those who hire and those who work for a wage. We have also been aided by another circumstance unique to America. I refer to the mass production techniques which we have developed to such a high stage of perfection during the past fifty years.

Henry Ford was the first to demonstrate on a large practical scale that it is far better to pay an employee ten dollars a day than to pay him five, and to do so only requires mechanizations which enable the worker to turn out more than twice as much in a given time. The pay envelope, however, is but one element of the problem upon which we have made progress. American management, generally, has long since repudiated the viewpoint—which still persists outside our shores—that labor is a commodity to be purchased in the cheapest market. We know that labor is our principal earning asset. More important, we have accepted as basic the premise that the employer's obligation to his employee runs quite beyond a mere meeting of the payroll, that the human machine must be provided for after the time he, or she, becomes too old or too incapacitated to be used efficiently.

EVER since 1933 Washington has endeavored to create a millennium for the working man by legislating it. To make matters worse, politicians have proceeded on the thesis that solution of labor-management difficulties is a question of social reform, when, in fact, it is an exceedingly complex problem in economics. It can only be solved after much trial and error by right-minded men seeking the solution for their own individual case within the confines of sound economic practices.

Only historians, a half century or more hence, will be able to say how far the real interests of wage earners have been set back by government action over the past sixteen years. The whole movement during that time has been predicated upon the erroneous thesis of inherent conflict of interest between the worker and his employer. The very connotation of "Collective Bargaining" is an invitation to class warfare, for when two parties bargain they seek to get as much, and give as little, as possible. How can any constructive results flow from the atmosphere engendered by compulsory collective bargaining?

Labor unions have performed necessary functions in the past. They may find real usefulness in the future. But there is no blinking the fact that today they are the greatest single handicap to economic progress in the United States. It is not so much the organized power they possess as the philosophy of the leaders who dictate their policies. The economic effect has been vastly to increase the cost of producing less wealth.

TO REGAIN the ground lost and move forward to more enlightened, more equitable relationships between those who hire and those who work for wage or salary is primarily a task for management. It involves, it seems to me, acceptance of certain fundamental, basic truths. Among these I would place first, the principle that the legitimate self interests of the employee and the employer in any given enterprise are not antagonistic but communal; second, that each individual organization represents a team upon which every one from top executive to the humblest employee has an important and necessary assignment to fulfill; third, that there is dignity and value in any job well done; fourth, a recognition of the biological fact that human beings differ widely in their inherent capabilities and skills, that each should be paid in accordance with his or her worth but that each should have opportunity to reach his maximum level. And last is assurance against an indigent old age, for not until the

(*Continued on page 28*)

How do you measure up

to the requirements this management representative demands of his company's credit executive?

by MARVIN B. MARSH
President, Marsh Steel Corporation, Kansas City

A SUBJECT of this kind is difficult to dramatize and the comments that follow may be only a confirmation of what credit men already know. However, there may be some good gained by reflecting for a few moments what I, as a management representative, would like to find in a "super" credit and collection manager working in my own company. I will divide my comments into two categories, namely:

1st. The basic qualifications and duties of a good credit man;
2nd. The qualifications and duties of an executive head of a credit department.

THE general qualifications and duties of a good credit man are so manifold that they encompass an understanding and knowledge of every phase of a company's operation. A credit manager above all things, should be a super-salesman, both within his company and without. He must sell himself and the importance of his function to all of his fellow employees. He must do likewise with all of the customers he contacts. Within his own company he must keep the salesmen fully informed on the condition of their accounts. He must work hand in hand with his company's salesmen and keep them from wasting time on poor accounts.

Right here I want to elaborate parenthetically on my own conviction of selective selling — which means that a sales force should concentrate its efforts and supply its products only to customers first selected by the credit department of its company, and this selling effort should be in direct proportion to the rating of the customer by the credit department. The credit executive thus becomes in effect a sales director, and it should be thus—providing the credit executive is capable of appraising the real worth of the customer for both a short and long range relationship from all angles (such as character, aggressiveness and integrity of the management, sales ability, quality of product, market available, and all the other factors that go to make a business prosper or fail), irrespective of the present balance sheet or mercantile agency ratings. In short, the sales organization of any concern should be completely directed in the selection of customers by the credit executive of that concern.

NOW to continue with the essential routine duties of a credit executive. He must visit customers frequently, both bad and good accounts. Here his type of salesmanship can be a great business builder, making the relationship between his company and its customers much stronger with every contact. He should be on the alert to give assistance to customers in many respects, particularly small accounts where he can show them how to improve their method of keeping records, methods of collection, and their accounting and financial practices.

Also, outside his own company, salesmanship must be brought into play in fostering and maintaining friendly relationships with the credit executives of his company's competitors, and with all other credit executives with whom he is brought into contact through credit organizations of various kinds.

The position of credit executive has inherited a reputation of disagreeableness, because it becomes necessary at times to refuse a customer credit or take unpleasant action against him to collect a past-due account, thereby engendering ire and condemnation of both the sales department and the customer. Only a superlative quality of salesmanship can convert this potential stigma into admiration for an unpleasant job well executed. Along with salesmanship must go the collateral requirements of personality, friendliness, neatness of appearance, poise, and sincerity.

A GOOD credit man must be a psychologist and an accurate appraiser of human nature. Customers differ from one another and a smart credit executive quickly learns these differences and capitalizes on them by not trying to handle all cases alike. Further, an appraisal of a man, or group of men, as individuals is often more important than a detailed financial statement.

A good credit executive must be an accountant, if not so educated at least self-trained, so that he has a clear understanding of what lies behind all items appearing in a financial statement or operating report.

A good credit executive must be a lawyer to the extent that he understands his company's and his customers' rights, know how to capitalize on the debtor's dread of legal action, and understands the principles of bankruptcy and debt adjustment.

A good credit man must be a traffic expert who understands the cost of transporting his company's goods to a customer, returning them from a customer, diverting them from one customer to another and stopping them in transit, and the problems connected with collections on delivery and sight-draft shipments.

Starting in April

In the April issue of CREDIT AND FINANCIAL MANAGEMENT and subsequent issues, the editors will proudly present a new series of articles on Scientific Credit Analysis by Helen M. Sommers, credit manager, Trojan Hosiery Mills, Indianapolis. Miss Sommers will be remembered as the author of Psychology in Credit Letters, the Adventures of Vesty Gates and other sparkling articles on credit subjects.

In these latest articles the keynote, the thread that goes through the entire series, is change. Change and trend are put forward as the only valid basis for credit evaluation, as opposed to static evaluation which ignores constant change.

The burden of Miss Sommers' argument, based on a study of semantics, is that the scientific approach to any problem is a series of questions formulated so that they can be specifically and systematically answered and that by following such a procedure credit analysis and consequent decisions can be placed on a more scientific basis.

Broadly the series will be broken down into three sections:

1. A discussion to orient the reader to the value of the right kind of questions; seeing the whole problem and its parts in terms of answerable questions; technique of phrasing the questions so that they will be specifically answered.

2. Sources of answers, verification, sifting, weighing, comparing, evaluating.

3. The trunk question and its branches, actual questions the credit man should ask himself in order to determine the credit-worthiness of his customer. Questions will be stated with explanations of the reasons for posing them.

The editors believe that this new series will be of immense value to all who read it, be they starters or executives with years of experience. Watch out for the first article to appear in the April issue of Credit and Financial Management.

WHILE this is not true in all cases, my own opinion is that the credit executive should be in charge of handling all claims from his company's customers. This can best be accomplished by the credit executive being the chairman of a claim committee consisting of representatives from all other major departments of the company. Thus the functions of collection and claim allowance are tied together.

A good credit executive must be thoroughly familiar with the production or warehousing operations of his company and the products it handles. He must know the cost of the products that are handled and be very adept with the computation of the resale pricing system for these products. He should also keep himself reasonably well informed regarding the tax and insurance costs in connection with his company's business.

The efficient credit executive must also be an economist. He must know how to gauge and anticipate in advance the effects on credit and collection problems of changes in general trade conditions and/or turns in business cycles.

These and perhaps other qualifications must be a part of the makeup of the top-notch credit executive, and all of these skills he must develop in himself by being on the alert and learning all the time about every part of his company. Having acquired these attributes, he should periodically quiz himself on the effectiveness of his ability by reflecting on the following questions:

(a) How much money in this period has my company lost in bad debts?

(b) How much have the accounts receivable overdue been reduced over the previous period?

(c) How many desirable prospective customers have been turned away from future sales?

(d) Have any present customers been offended or lost because of my department's activities?

(e) How many accounts has my department nursed, helped and cultivated so they have become more valuable customers—or even new accounts?

LET'S give some thought now to what is required of a credit executive to properly head his department. Obviously he must have the principal attributes of leadership necessary for any department head to run his department well. Most important is his ability to organize an efficient working group under him that will free him of all details, and function smoothly when he is visiting customers or is away from his office for any length of time for other reasons. He should train an assistant for the company's own protection in case something should happen to him, and for his own selfish interests, when the opportunity arises for him to be promoted further in his company. He should have an assistant properly trained who would be able to step into his shoes on a moment's notice. This, I am afraid, is one of the principal weaknesses of most credit departments, especially those which are staffed only with a clerk or two under the credit manager, who have no potential managerial ability. It is also the trouble with having a small credit department staffed only with girls.

To be successful as the manager of the credit department, the credit executive must make decisions for himself that are of great importance. Whether these decisions turn out right or wrong, he must have courage to continue making decisions based on his own best judgment. At the same time he must inspire confidence in himself on the part of his departmental employees and all other company associates as well as his management. He must have patience with his employees and customers, a sympathetic understanding of their problems, and the emotional stability

(*Continued on Page 29*)

A short glossary of

FEDERALESE

by JERRY KLUTTZ*

A PROGRAM —Any assignment that can't be completed by one phone call.

CHANNELS—The trail left by an interoffice memo.

STATUS QUO —This mess we're in.

TO EXPEDITE — To confound confusion with commotion.

EXPEDITER — One who does same while riding fast trains and staying at good hotels.

EFFICIENCY EXPERT — A guy who trains expediters.

COORDINATOR—A guy who has a desk between two expediters.

LIAISON OFFICER— A person who talks well and listens better, but has no authority to make a definite statement.

CRITERIA — Measures which the other guy uses to underestimate what you have already overestimated the deal to be worth.

INCENTIVE PROGRAM — A scheme to titillate a submerged urge.

TO ACTIVATE—To make carbons and add names to the memorandum.

UNDER CONSIDERATION—Never heard of it.

UNDER ACTIVE CONSIDERATION—We're looking in the files for it.

IN TRANSMITTAL —We're sending it to you because we're tired of holding the bag.

A CONFERENCE —A place where conversation is substituted for the dreariness of labor and the loneliness of thought.

A CLARIFICATION —To fill in the background so detailed that the foreground must go underground.

A MODIFICATION OF POLICY —A complete reversal which nobody admits.

TO SPELL OUT — To break big hunks of gobbledygook down into little hunks of gobbledygook.

SYNTHESIS —A compounding of detailed bewilderment into a vast and comfortable confusion which offends no one.

PROCEDURE —Everyday routine rigmarole.

LETTER OF TRANSMITTAL — A way to pass the buck.

A SURVEY IS BEING MADE ON THIS —We need more time to think of an answer.

FURTHER SUBSTANTIATING DATA NECESSARY— We've lost your stuff. Send it again.

TO EXPLORE THE RAMIFICATIONS —And brother, just wait till you see what we think of.

CONFIDENTIAL MEMORANDUM—There wasn't time to mimeograph this.

NOTE AND INITIAL — Let's spread the responsibility for this.

SEE ME, OR "LET'S DISCUSS"—Come down to my office. I'm lonesome.

LET'S GET TOGETHER ON THIS —I'm assuming you're as confused as I am.

GIVE US THE BENEFIT OF YOUR PRESENT THINKING—We'll listen to what you have to say as long as it doesn't interfere with what we've already decided to do.

REFERRED FOR APPROPRIATE ACTION—Maybe your office knows what to do with this.

REFERRED TO A HIGHER AUTHORITY —Pigeonholed in a more sumptuous office.

TO GIVE SOMEONE THE PICTURE —A long confused and inaccurate statement to a newcomer.

TO MASTERMIND — To avoid blame for not doing while getting credit for the doing of others.

RESEARCH WORK —Hunting for the guy who moved the files.

POINT UP THE ISSUE—Expand one page to 15 pages.

FUNCTIONAL CONTROL —You tell him what to do and he'll tell you where to go.

COMMITTEE— A group that keeps minutes and wastes hours.

RESEARCH—Dragging data out of an inaccessible place, tabulating them, and then filing them in equally inaccessible place.

RESEARCH—Copying from one book is plagiarism; copying from two books is research.

AN ECONOMIST—An economist is a man who tells you what to do with the money that you would not have if you had followed his proposals.

A STATISTICIAN—A statistician is a man who draws a mathematically precise line from an unwarranted assumption to a foregone conclusion.

A PROFESSOR —A professor is a man who tells you how to solve the problems of life which he has avoided by becoming a professor.

A CONFERENCE —A conference is a group of people who individually can do nothing but who can meet collectively and agree that nothing can be done.

A CONSULTANT—A consultant is a man who tells you how to run your business and charges you more for his services than you could possibly make out of your business if you ran it right instead of the way he told you to run it.

AN EXPERT—An expert is a person who avoids all the small errors as he sweeps forward to the grand fallacy.

AN ADMINISTRATIVE ANALYST —An administrative analyst is a man who, if asked to perform an appendectomy, would approach it through the mouth.

**Jerry Kluttz is the author of the column, "Federal Diary," which appears in the Washington* Post. *The editors are indebted to the* Post *for permission to reprint this delightful piece.*

FOUR COUNTRIES AGAIN TIE FOR TOP

by PHILIP J. GRAY
Manager, Foreign Credit Interchange Bureau

ONCE again, four countries—Cuba, Dominican Republic, Haiti and Panama received identical ratings and shared top position in both credits and collections in the 43rd Semi-Annual Survey conducted by the Foreign Credit Interchange Bureau on commercial credit and collection conditions in Latin-American markets during the last-half of 1949. This is the second time in the twenty-one-year history of this survey that four countries have been tied for first honors in both credit and collection classifications.

ARGENTINA, Brazil and Costa Rica were again rated in the lowest credit classification of "poor" where they were joined, in this survey, by Chile and Paraguay, both of which had previously been listed as "fair". In collection ratings, Argentina, Brazil and Costa Rica were again relegated to the lowest classification of "very slow".

CREDITWISE, thirteen countries improved their position in this survey, while ten registered declines, and one market, Costa Rica, showed "no change" in rating. Guatemala moved up to the "good" credit classification from "fairly good" in the last survey. Peru, with an improvement of thirty-three points, and Colombia with an improvement of forty-one points, moved from "poor" to "fair" in the credit classification, while Paraguay, with a loss of twenty-one and Chile with a loss of eighteen points dropped from "fair" to "poor" classification. Included with the leaders in the top credit classification of "good" were British, French and Netherlands Possessions, Mexico, Puerto Rico, Nicaragua, Ecuador, Venezuela and Guatemala.

IN COLLECTIONS, nine countries showed improvement in credit ratings, fourteen showed declines, and again, Costa Rica recorded "no change". Colombia moved from the lowest collection classification of "very slow" to "slow," Uruguay advanced from "slow" to "fairly prompt," while Chile dropped from "fairly prompt" to "slow," and Paraguay with a loss of twenty-two points in this survey was transferred from the "prompt" to the "slow" classification.

IN THE survey of credit terms granted in the last-half of 1949 as compared with those of 1948, changes again paralleled collection experiences and involved all the countries rated as "slow" and "very slow". Special attention is directed to the "no change" percentages of 95% for Argentina, 96% for Brazil, and 95% for Costa Rica—these figures merely indicate that in the percentages specified, "no changes" have been made in terms since 1948 when payment delays became evident and corrective measures were adopted. To illustrate—in the last survey, 90% of the Members reporting indicated they had changed to "less liberal" terms for Argentina, while 53% made a similar report on their Brazilian business, with many Members indicating that they were definitely "out of those markets" until the exchange situation improved. In the current terms survey, "less liberal" terms to Chile and Colombia were reported by 14% of the Members, and similar reductions of terms were recorded by 11% on business in Peru, 9% in Bolivia and Paraguay, 8% in El Salvador, 7% in Honduras and 5% in Argentina, Ecuador, Uruguay and Venezuela. More liberal terms were granted by 6% of the Members on Colombian and Mexican business, and by 5% on their business with Honduras, Netherlands Possessions and Uruguay. Largest percentages in the "no change" classification were, of course, registered by the top-rated countries, Panama registering 98% and Cuba, Dominican Republic and Haiti reporting 97% "no change" in terms.

The 312 American manufacturers and exporters contributing to this survey are located in all parts of the United States. They represent a veritable cross-section of American products, the majority of them reporting on all the markets included in this survey. In compiling this survey, no consideration is given to the question of governmental debts or service obligations, and the classification of "Credit

PLACE IN LATIN-AMERICAN SURVEY

Conditions" refers to the situation within the various Latin-American markets from the commercial point of view only, as judged by American manufacturers and exporters. Comments made by those replying to the survey under the general heading "Collection Conditions" may be considered as indicating the current trend based on the definite experience of American manufacturers and exporters having commercial collection items in the markets surveyed. The "Terms" feature of the survey simply reports whether Members' terms during the last half of 1949 to Latin-American buyers were "Unchanged" or "More Liberal" or "Less Liberal" than those granted during 1948, and the replies have been listed country by country in percentages.

The following comments taken from Members' letters accompanying their survey reports should prove both interesting and enlightening:

ARGENTINA—Although we have received payment for some of our old outstanding dollar collections under the plan by which Argentina allocates 20% of the dollar exchange created through exports to the United States, we still are not shipping to merchants in the Argentine. Based on the present exports to the United States of somewhat less than $100,000,000. per year, we estimate that it will take about five years to liquidate all of the outstanding commercial debt due to the United States, unless, of course, exports to the United States are stepped up, thus creating additional dollar exchange.

Comparison of Credit and Collection Index Figures

(Based on Surveys on Credit and Collection Conditions in Latin America)

	Credit Conditions			Collections		
	Jan. 1950	July 1949	Jan. 1949	Jan. 1950	July 1949	Jan. 1949
Argentina	179	177	190	12	10	18
Bolivia	227	239	228	78	83	61
Brazil	181	176	190	19	18	20
British Possessions	283	286	284	87	90	91
Chile	198	216	192	49	56	41
Colombia	223	182	192	45	36	39
Costa Rica	180	180	190	30	30	31
Cuba	289	291	293	90	92	95
Dominican Republic	289	291	291	90	92	94
Ecuador	260	250	249	79	80	69
French Possessions	282	278	280	85	87	92
Guatemala	256	248	276	80	79	92
Haiti	289	291	290	90	92	93
Honduras	221	215	235	58	55	78
Mexico	274	254	258	83	82	90
Netherlands Possessions	275	252	276	83	80	90
Nicaragua	264	285	288	81	92	89
Panama	289	291	293	90	92	95
Paraguay	197	218	211	49	71	51
Peru	223	190	198	47	46	42
Puerto Rico	270	280	281	80	85	90
El Salvador	217	214	248	60	55	78
Uruguay	214	212	241	53	44	56
Venezuela	258	251	268	76	80	88

Credit—GOOD: 250 and up. Lowest percentage 50% good, 50% fair.
FAIRLY GOOD: 225 to 250. Lowest percentage 25% good, 75% fair.
FAIR: 200 to 225. Lowest percentage 100% fair.
POOR: 175 to 200. Lowest percentage 75% fair, 25% poor.
VERY POOR: Below 175.

Collections—PROMPT: Ove 70% prompt or fairly prompt collections.
FAIRLY PROMPT: 50% to 70% prompt or fairly prompt collections.
SLOW: 40% to 50% prompt or fairly prompt collections.
VERY SLOW: Less than 40% prompt or fairly prompt collections.

BRAZIL—In the last month we have noticed a considerable increase in the number of our outstanding drafts that are being paid. Our agent tells us that new import permits are still being rigidly controlled. He further states that according to local information the Fiscalization Department of the Banco do Brasil has now accumulated a substantial amount of dollar exchange with which it plans to clear up the dollar backlog by the end of January 1950. We hope he's correct on this.

CHILE—We are presently shipping to Chile on a draft basis and payment in most cases has been received promptly, although there have been some instances where

payment was delayed over 90 days. Recently, one of our buyers requested us to release our shipping documents to him against a deposit in local currency, pending availability of dollar exchange. Our agent, in passing along this request, advised us not to release the documents against such a provisional deposit because of the future uncertainty of dollar exchange availabilities. We finally decided against releasing the documents except upon remittance of dollar exchange.

COLOMBIA—At the present time we are up to date on payments for our shipments to Colombia on a draft basis and recent shipments have been promptly paid. Our customers tell us that it is still very difficult to obtain import permits. Last month our agent advised us of a report that the Exchange Control had approved all pending exchange applications and also had issued a ruling that foreign exchange would be released in the future 48 hours after the filing of the application. We are very much encouraged over developments and expect to continue sales on a draft basis to good customers.

COSTA RICA—It has been almost six months since we have received any money from Costa Rica in settlement of merchandise shipped on a draft basis. Our buyers tell us that the Control Authorities suddenly stopped granting exchange on sight draft shipments and that they do not know when authorizations will again be renewed, but think it will happen when the coffee crop starts moving in December. We, of course, have discontinued all shipments to this market on a draft basis and are not inclined to ship again on a draft basis in the future, until the exchange situation and conditions in general improve.

PERU—We have been shipping to Peru recently on a draft basis, but only for nominal amounts and to good buyers, and payment in most cases has been received promptly. We still have outstanding some drafts which the drawees are endeavoring to liquidate at the old official exchange rate of 6.50 soles. One of our customers told us that the recent mission from the United States to Peru had recommended in its report issued in November 1949 that these old obligations be hon-

(*Continued on Page 29*)

A SHORT notice in the December issue of CREDIT AND FINANCIAL MANAGEMENT describes a change to be made in coming printings of the standard trade acceptance forms published by the National Association of Credit Men. The change to be made—the addition of a few words immediately following the location of the bank—has given rise to several inquiries as to why the change is necessary.

In some states the trade acceptance does not enjoy the same status as a check. To remedy this situation the following phrase is added to the trade acceptance blank: "and charge it to the account of the acceptor upon presentation at maturity or within one year thereafter." With these added words the trade acceptance acquires practically the same status as a check in all states. If the phrase were not added it would be necessary to present the acceptance on or before maturity date in order to have it charged to the acceptor's account.

No Set Compromise Settlement Policy Shown in Survey

JUST what is the Policy on Compromise Settlements? This still continues to be a highly controversial subject among credit men, according to recent letters from Secretary-Managers of Adjustment Bureaus throughout the country.

As is generally known, the Adjustment Bureau Managers act in the capacity of Agents for creditors.

Only one bureau reports a "100% no compromise" policy, there being no exceptions on the basis of expediency. Their theory is "a credit grantor becomes a partner of his customer. The customer partner should not settle for less than 100% with his credit grantor partner."

Many factors enter into this complex subject of compromise settlement, no two cases being identical, but it is hoped the following will help to clarify some of the current thinking:

1. **Fraud:** Where fraud exists, the opinion is unanimous that unscrupulous individuals will have no compromise settlement.

2. **Merit:** Before accepting any offer of compromise, full disclosure of facts—good and bad—are necessitated.

One large bureau through long experience finds a "no compromise" policy unrealistic in perishable businesses. Barring any elements of fraud the best solution, in their opinion, is a quick compromise based on a fair realization of assets. The amount is not always the sole guide or principle.

The foregoing is in contrast to another bureau "trying to discourage any compromise settlements at all where a business is to continue operating . . . trying to encourage extension arrangements with the ultimate goal of 100% payment, even if the extensions have to run over a period of one or two years, rather than take any compromise settlements."

3. **Use of Interchange Service:** Acting upon the sound theory that "slowing up of pay habits is one of the first signs of failure", with immediate steps to determine the reasons for the slowing, could reduce credit losses across the country by about 20 to 30%, says the Secretary-Manager of another Bureau.

Another writes "there has not been any epidemic of composition offers in this territory, possibly because we try to keep the creditors well informed through Credit Interchange reports and group discussions, and the debtors do not try to 'pull' a settlement when they know the creditors are organized."

4. **Probable Chance to Succeed:** New money and new management brought into a business may warrant the acceptance of a composition settlement, after all other factors have been thoroughly considered, is the opinion expressed by one Bureau Manager.

Also, when the debtor has conducted his affairs with integrity and the management is sufficiently capable to indicate that it can profit by its errors and re-establish the business, the compromise should be beneficial to both creditor and debtor.

THIS IS WAR!

or

And Same Say All of Us

(Being the second in a totally irregular series of polemics against the "pouter pigeon" school of literary effort.)

Editor's note (written by the author): They say that one of the early editors of the Saturday Evening Post *called his subordinates together one day and said to them, in so many words: "Gentlemen, every letter we have had concerning our ******** issue is highly complimentary There must have been something wrong with that issue!" The editors of CREDIT AND FINANCIAL MANAGEMENT have promised to make available to me now and again such space, within reason, as I shall need to get some pet hates off my chest. These little effusions will be written for one reason only — to start a fight. This is the first; if you agree with me, I'll be glad to hear so; if you disagree I'll be even more glad to hear why.*

by

DUOCEPHALUS

WE WILL commence today, dear (and gentle) reader with a few choice selections from holy writ. Thus:

"His wife looked back from behind him, and same became a pillar of salt."

Or:

"Consider the lilies of the field, how same grow."

Or again:

"He that hath ears to hear, let same hear!"

That is just a starter but the point should be obvious enough. Why do people daub "same" over perfectly good white paper? What magnetic power has this intrinsically inoffensive word that otherwise normal people feel constrained to misuse it at all times and at all costs?

I have a theory, of course, but one as full of holes as any theory ever could be. In fact it just aches to be blown up. My theory is that the entire blame can be laid at the cell door of some poor, humble, hard-working, devout, myopic monk in the sixteenth century.

In Latin the word "same" is translated *idem*. And *idem*, translated into English, undoubtedly means "same." But it also means "the same man," the noun "man," as it always can be in the Latin language, being incorporated into the adjective. Now, back in 1549, the first translation of any prayer-book into English was published for use in all the English churches, which had seceded from Rome in 1534, or, more accurately, which had been taken over by Henry VIII, whether they liked it or not. In this first translation, and in all succeeding versions, "the same" crops up time and again, both in translations of the original "idem" and, surprisingly, in translation of some words which could not by any manner of means be interpreted as "same," "the same," or any like word. In each case "idem" should have been translated "the same man" and, so help me, it looks as though the translating monk became as much enamoured of the expression, and waved it around with as much abandon, as any present day little man of the big business world.

As a theory it isn't bad, and it isn't good. But, after much research, I have been unable to find one single instance of the misuse of "same" in any book written before the first prayer book translation. So we will cherish our pet until someone proves that we are talking through our hat.

Theory or no theory, the uncommon tenacity and ubiquity of this literary deformity is alarming and a scar on the social and intellectual record of the country. Why do so many apparently intelligent business men know no better? Why do they find it necessary to cram their business correspondence with such a sententious, flatulent pomposity?

Perhaps the answer can be found in the comments of H. W. Fowler, who, in his magnificent book, *Modern English Usage*, happily classifies "same" under "Illiteracies." Says Fowler: "In the old days 'same' as it is misused would have been classified as *vulg.*, meaning 'in the vulgar tongue.' Nowadays, however, since the term 'vulgar' has acquired a social connotation 'same' must be described as an Illiteracy, to be found most frequently in the correspondence columns of newspapers.

"As the working man puts on his Sunday clothes to be photographed, so the unliterary adorns himself with 'same' when he is to appear in print; each seems bent on giving the worst possible impression of himself."

AMEN!

•

Duocephalus acknowledges with gratitude the following letter from Mr. A. A. Martin, Vice-President of the Momsen Dunnegan Ryan Company, of El Paso, Texas:

Dear Mr. Double Header:

Thanks very much for your effective blast directed against THE WRITER. It gives a welcome touch of brightness to Credit and Financial Management, which is an excellent magazine, although I have never heard it described as lively or witty.

Please continue your attack on punk business letter writing. I am sure we will all be benefited.

Mr. D. will do his humble best.

Seven reasons why credit executives should

Come to Dartmouth this summer

by DR. CARL D. SMITH

Director of Education, National Association of Credit Men
Director of Research, Credit Research Foundation, Inc.

DURING the past three years in which the Executives' School has been conducted at Madison in cooperation with the University of Wisconsin, it has been most natural that the members of the School should engage frequently in discussions as to whether the objectives of the School were being clearly understood and fully realized. Executives who are accustomed to thinking in terms of policies and their application to the management of business enterprises can be most helpful when they direct their thinking to the realization of educational objectives.

The members of the School were encouraged to work through small committees to evaluate the accomplishments of the School for the three years it has been in existence. The comments coming from these committees were most emphatic in their recognition of the tremendously worthwhile job that the School had achieved in that short time. It was a pleasant and highly profitable surprise to the members of the School to realize that this was not a School which taught only facts, but, much more important, succeeded in instigating creative thought by most members and sincere evaluation of themselves, their jobs and their methods. As one committee stated, "The School is not only a success by normal standards, but offers a unique catalyst for the broadening of the visions of credit men."

This group thinking brought forth many constructive suggestions designed to aid the School in more nearly approaching perfection in its operation. These suggestions quite properly started with a clear statement of the objectives which most of the members of the School believed to be of primary importance, if the School is to achieve its full purpose. With the transfer of the School to Datmouth College where it is to be conducted in full co-operation with the Amos Tuck School of Business Administration, one of the most outstanding and respected Graduate School of Business in the country, it is important that these objectives be reviewed at this time.

THE program beginning next August will be conducted on a graduate level and those who attend the session should think of the work in terms of that level. In more specific terms the objectives of the School are thought of as follows:

1. To instigate serious constructive thinking by the members of the School in their own work and in other business and social fields.
2. To furnish opportunities for evaluating one's present methods of operation with a view to creating a healthy dissatisfaction within oneself and improvement in one's methods and practices.
3. To exchange with others in similar business environments the ideas, the problems and the solutions which are of mutual interest.
4. To expand one's knowledge of financial and credit department functions and the relationship of financial and credit operations with other departments of the business organization.
5. To increase one's awareness of the major social responsibilities of business management to the community as a whole.
6. To guide the self-education efforts of members of the School between summer sessions so as to aid them in achieving these objectives.
7. To help qualify credit and financial and other executives for higher, more responsible positions.

The School is most fortunate to be privileged to begin its fourth year in the beautiful setting afforded by the Dartmouth College Campus. This Campus is located on a broad plateau overlooking the Connecticut River. All about rise pine-clad hills, extending northward to the White Mountains whose peaks are visible from the Campus. The climate is excellent with an average temperature during August of 64.3 degrees. The mean maximum temperature for twenty years for the month is 78.2 degrees and the mean minimum is 53.7 degrees. The nights are cool and pleasant.

Those who attend the Graduate School will be delighted with what they find at Dartmouth. The many beautiful drives in and about Hanover and the White Mountains and the unexcelled opportunities to combine the best of vacation recreation with study and associational fellowship will bring values never to be forgotten.

The Second Year Viewpoint

by HARLEY T. BLAKE

Credit Manager, Fairbanks, Morse & Co., Boston

THE completion of a second term at the Executives' School of Credit and Financial Management at Madison, Wisconsin, confirmed my original conviction that the attraction of the School consists equally in the high scholastic standard set by the faculty, and the aspiration by the student to a high standard for the administration of managerial and executive responsibilities. It is with this latter phase of the School's function that this article will concern itself.

On the morning of September 3, 1949, during the graduating exercises of the first group of Executive Award recipients, Henry Heimann, Executive Manager of the National Association of Credit Men, stated:

"While the maintenance of minimum bad debt losses is one of the methods of evaluation of credit management, a much more important yardstick is the ability of credit management to approve a sale to marginal risks and to convert such a marginal risk into a sound distributive credit outlet."

The attainment by the student of the high standard of credit management set by Mr. Heimann was placed well within the realm of possibility by the straightforward presentation of the "practitioner" function of credit management, by Gustav C. Klippel, Credit Manager, Van Camp Hardware and Iron Company, Indianapolis, and instructor at the Executives' School in Problems of Credit Management II. In fact, Mr. Klippel rightfully insisted on the use of the title "Credit Practitioner" instead of the present day commonly used title "Credit Manager."

The entire study of ratio analysis is comprehensively presented, not as a limited tool to judge solely the capacity to pay, but as a scientific method to diagnose internally the health of the business, to the end that remedial action can be taken when necessary to correct any apparent weaknesses.

AN intelligent distinction is made throughout the course between the often misnamed granting of credit, and the acceptance of credit. A man's credit standing is not subject to the whims and fancies of the credit fraternity, to be evaluated and rated in some cursory manner. The error in the evaluation of assets by an auditor does not change the true value of the business. We accept the auditor's evaluation until the true facts come to light. In the same manner of thinking, we accept the customer's credit standing on the basis of facts presented, and as credit men it is not within our power or province to give the customer credit, anymore than the auditor gives the customer assets.

Ratio analysis then, is presented as an effective tool for the evaluation of the worth of the business, and prescribing corrective steps for improving the health of the enterprise.

THE English Poet, John Cowper, clearly distinguished between knowledge and wisdom in the following statement:

"Knowledge and wisdom, far from being one,
Have ofttimes no connection. Knowledge dwells
In heads replete with thoughts of other men,
Wisdom in minds attentive to their own."

For all practical purposes, this pointed summary epitomizes the course in Development of Executive Abilities II as presented by Dick Carlson of the firm of Rogers and Slade, Management Consultants, New York City. In the catalog of the School, under the second year study program, we read that "Development of Executive Abilities II is primarily devoted to the development of the personal qualities of the successful executive. . . ." The keynote is certainly self-analysis and the objective is to bring about an awareness in the individual of the inherent wisdom of man.

It has been said that the greatest of all arts is the creation of circumstances which cause people to respond spontaneously and actively in the attainment of common objectives, not because "they have to", but because "they want to". To accomplish this high endeavor, the student is assigned a study of self-analysis which comprises a 61-page blueprint aimed at charting a course for the full utilization of maximum talents, skills and interests.

ONE of the tools of the trained leader, we are told, is the ability to conceive the things for which

he strives, as things already attained. In this process of self-appraisal the goal is set high above the seeming reach of accomplishment, but by the development of a well-organized personal plan of action, the student is guided to the full realization of his wisdom qualities, and the floss and tinsel of memorized knowledge is exposed as a sham and counterfeit.

The first reaction of the student's previously unfathomed depths of wisdom is somewhat similar to the age old reaction of Col. Robert G. Ingersoll to the theme of Shakespeare which he pictured as the endeavor to grasp a globe so large that the hand obtains no hold. However, Dick Carlson knows fully the delicacy of the tools with which he works, and sense and reason soon supplant the chaos of untrained thinking. Whether a full fledged executive emerges is determined by individual demonstration, but the student is certainly exposed to a benign climate of unfettered expression, and growth ultimately emerges as free and natural as the birth of a new idea.

PROFESSOR Raymond Rodgers, of New York University, in his course on Economics of Money and Credit at the Executives' School, firmly sets his heel in the solid ground of fact, with the preliminary statement that "Education is simply the process of learning and unlearning." The natural tendency is to stop at the learning stage and figure that the job is done. However, the true test of progress evidences itself when the question mark supplants the period and the dogged process of unlearning commences.

In the Biblical parable of the sower we see clearly the distinction between "wheat" and "chaff". Professor Rodgers carries through with this same line of reasoning in the establishment of standards of "theory" and "practice". We have the unalterable challenge always before us to unlearn the theory so as to give the practice a chance to grow into our understanding and become a practical and workable instrument in the carrying out of our executive assignments.

Managed currency, debt financing, and such other concerns of the field of money and credit as deflation, inflation, and business cycles, converge into an understandable whole under Professor Rodgers' trained guidance. However, the outstanding impressiveness of the course lies more in the mature presentation of the "whys and wherefores" making up the background in the behind-the-scene actions of the politician and financier.

IMPORTANT MESSAGE
See page 32

DR. Arthur R. Upgren, Associate Editor of the Minneapolis *Star-Journal*, in his course on Financial Management II at the Executives' School, succeeds in dissolving into thin air the bug-a-boo that "big business" is a retarder to the normal growth of individual enterprise.

Dr. Upgren presents the annual reports of many leading companies to support his conviction that the day to day purchases of the individual consumer represent the most powerful and effective vote to elect, under our profit and loss system, the companies that are to survive. The oft quoted labor statement that "The greatest crime against labor is a business that fails to make a profit" is strongly defended with proof that our Government which is pledged to defend the common man has enacted legislation to limit the free operation of the corporate system.

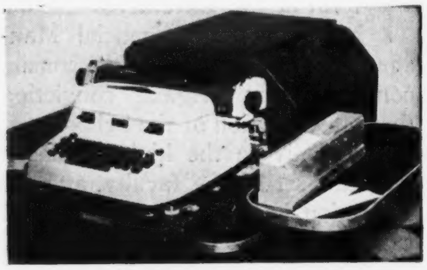
The tendency has been to drain off the reserve power of financial security in the hands of the corporate owners that in times past has cushioned the blow dealt by periods of temporary economic set-backs.

In summary, the Executives' School of Credit and Financial Management effectively frees the student from the shackles of conventional pedagogic routines and broadens the horizon of creative imagination so as to fortify the inherent mental courage of the individual against the strangling effect of archaic "word and rote" methods of study. As we read in the Book of Proverbs:

"Give instruction to a wise man,
and he will be yet wiser:
Teach a just man, and he will
increase in learning."

In the Modern office

ROBOTYPER Corporation, Detroit, manufacturers of automatic typing equipment that operate electric typewriters, announces a brand new machine to make letter writing less costly and more automatic for the busy executive. Called the Carlson Selector Robotyper, after the inventor, George W. Carlson, Vice President in charge of engineering of the Robotyper Corporation, it makes most letter writing or answering a simple, quick, and inexpensive operation.



The writer simply circles the number on the Carlson Selector Card of the precomposed paragraphs necessary to make a credit report, collection letter, or answer most routine mail. Then, he attaches the card to the letter to be answered and routes them to the Robotypist.

The Robotypist punches a hole opposite the number circled, inserts the card in the Carlson Selector, manually types in the address and greeting, presses the start button and turns to other Robotypers or other work. The Carlson Selector automatically selects and types the proper paragraphs, perfectly matching the manually typed address and greeting.

For more information write, Robotyper Corporation, 18050 Ryan Road, Detroit 34, Michigan.

COLE STEEL EQUIPMENT CO. announces a new steel safe for the office. For many years now there has been a demand for a low cost safe such as this, adaptable for use in large and small offices.

The safe is designed for use in both general and executive offices, and will fit into the decor of any area.

This triple-action Burroughs slashes accounting time and cost

Because it's the only typewriter-accounting machine that computes by direct mechanical multiplication (not repeated addition)—this Burroughs really slashes the time and cost of handling accounting work.

On payroll, for example, employee earnings are calculated . . . employee statement and check written . . . employee ledger and payroll register posted—*all in one fast, simple operation.*

On billing, invoices are completely written and calculated in less time than it would ordinarily take just to copy them!

The machine automatically computes and prints complete answers . . . remembers each result, totals all results, computes and prints the total or net.

This Burroughs is just one of a family of typewriter-accounting machines adaptable to full-time work on one job or part-time work on many. Find out how much they can do for you in saving time and cutting costs. Call your local Burroughs man today, or fill in and mail the coupon.

WHEREVER THERE'S BUSINESS THERE'S **Burroughs**

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Send me information on the application of Burroughs Typewriter-Accounting Machines to:

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LEGAL NOTES AND NEWS

of interest to financial executives

Reviewed by Carl B. Everberg,
Assistant Professor of Law, Boston University

Giving Credit to a Debtor Operating Under a Trust Mortgage.

IN THE last few months many credit men have become aware of something apparently new in connection with debtors who have had to throw themselves on the mercy of creditors. This new thing is known in various places as the *trust mortgage.* Actually it is not a new device but one which has been revived after several years of being among the moth balls.

The "trust mortgage" device, when used by a distressed debtor, practically defies definition. Whether it is a mortgage or a trust, or anything else which ever had any definite shape, is questionable. It most resembles an *assignment for the benefit of creditors,* the latter being a sort of unofficial bankruptcy proceeding in some states, and an insolvency proceeding filed in the state courts in other states. But where the trust mortgage differs from bankruptcy or assignment for the benefit of creditors, is that *an operation of the debtor's business is contemplated under the trust mortgage.* The debtor's assets are not liquidated and the proceeds distributed ratably to creditors under a trust mortgage, as under an assignment for the benefit of creditors, or under a straight bankruptcy proceeding. A comparison is made with the ordinary inventory mortgage, namely, that when a merchant gives a mortgage on his stock in trade, fixtures, etc. he certainly is at liberty to go on operating his business; hence, that is what happens when he gives a trust mortgage. The giving of a mortgage then (to a trustee) should not affect the right of the mortgagor (the debtor) to go on operating.

WHO is the trustee? He is frequently some representative of creditors who have claims against a distressed debtor. He arranges to take a mortgage from the debtor on the property of the said debtor. At the same time he formulates a trust agreement to which he, the debtor, and such creditors who thereafter assent, become parties. Under the terms of the agreement, the trustee has certain supervisory control (varying, of course, according to the terms of the agreements) and the creditors, who assent, bind themselves to take no action against the debtor. The condition of the mortgage is that the debtor will pay, over a period of operation, and out of profits, enough to pay the creditors in the course of time. The trustee is also generally given the power to foreclose the mortgage (as any mortgage may be foreclosed) and the proceeds of the sale to be distributed to the assenting creditors.

I cannot resist quoting my own evaluation of this device, made several years ago.*

"A trust mortgage . . . is nothing more than a chattel mortgage to a trustee for the benefit of all the creditors. Usually it secures a note payable on demand and authorizes the trustee to sell all of the assets in event of default. By appropriate provision in the trust mortgage, the trustee is authorized to carry on the business for such time as he sees fit.

"Although this practice has the earmarks of a straight liquidation, yet there is always the possibility and hope that a trustee may operate the business profitably, and with the objective of paying off creditors in full and returning the business in a healthy condition to the debtor who executed the trust mortgage.

"The affairs and administration of the estate are . . . in the hands of the trustee. Therefore, if creditors and their attorneys are satisfied that the parties administering this mortgage are dependable, they may not disturb the arrangement. But, since a trust mortgage of all the assets of the debtor is tantamount to a general assignment, it is consequently an act of bankruptcy; and a trust mortgage that does not secure all of the creditors (non-assenting) amounts to a preference. Therefore, in such transactions the debtor is subject to the hazard of being thrown into bankruptcy.

"One striking disadvantage under the operation of a trust mortgage is that creditors who extend further credits (after the execution of the trust mortgage) are exposed to the hazard of further losses because in the event of bankruptcy there is no way of establishing a priority over the old indebtedness. Again, all de-

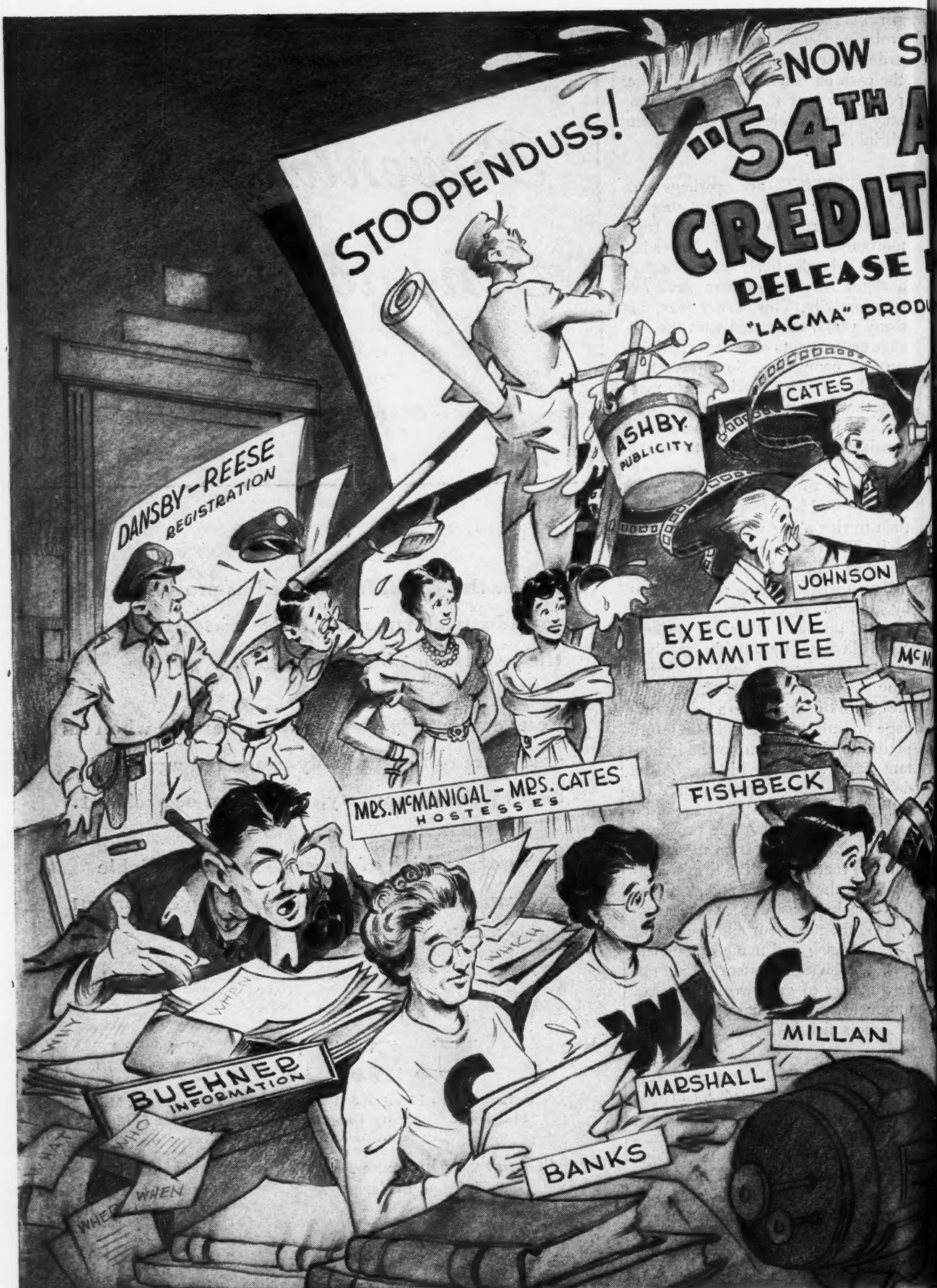
*EXTENSION AGREEMENTS WITH DEBTORS, Copyright, 1944, The Ronald Press Co., N. Y. C. B. Everberg, pp. 66, 67.

pends on the trustee or trustees and their good judgment. Where a trustee permits the debtor to remain in control of the business . . . and the debtor orders new merchandise in excess of the cash on hand, there is a distinct possibility that the creditors' claims may expand while the debtor's assets shrink."

STATISTICS are perhaps not available to show what proportion of operations under these trust mortgages turn out well. Nevertheless, it is hardly likely that more than a slight fraction of them work out satisfactorily. This writer was, for many years, connected with the salvage departments of certain credit insurance companies. So unfavorable was the experience with these matters that the credit insurance companies with which he was associated considered "the first loss to be the smallest"—meaning that it was their preference to liquidate an insolvent or distressed business at once rather than to ride along with an operation of it. However, it must be said that this viewpoint did come to be modified as it was occasionally shown that by judicious supervision and control by creditors and others, a business could become thoroughly rehabilitated after having been insolvent. Any substantial creditor faced with the choice of agreeing to a trust mortgage or bankruptcy should therefore predicate his decision on the important factors of the history of the debtor firm, how it came into its difficulty, the present financial condition of the business, what the prospects are of rehabilitation from the standpoint of markets for the firm's commodities, the character and ability of the principals as well as the trustee(s), the plans for and the extent of refinancing and many other matters. The giving of assent should not be a matter of guesswork, nor snap judgment, nor persuasiveness alone of some solicitor of assents.

WHILE this problem of operations of distressed businesses has many facets, this article is addressed primarily to those creditors who furnish new credit to a firm operating under a trust mortgage. Whatever gamble the old creditors must take to rescue their investment it is invariably a safer one than that which a new creditor makes when he

(*Continued on page 22*)



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LEGAL NOTES AND NEWS

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pumps new credit into the anemic and invalid patient. For the old creditors are secured by their mortgage (and in many states an after-acquired provision reaches out and grasps all new and substituted merchandise automatically), while the new creditors have no security. Hence, the new creditors, having no equity to start with, have "plenty o' nothin'" after an unprofitable operation under the trustee(s).

Some suppliers of credit furnish new credit because they are involved as old creditors. There is some logic in such a position. Other creditors probably furnish new credit under a mistaken assumption that such indebtedness has a priority over the old indebtedness. If there is any such priority it is purely moral and not legal under any trust mortgage scheme this writer has ever seen. Some creditors furnish new credit in ignorance of the trust mortgage. Apparently it is not open to such suppliers to say that they knew nothing of the mortgage where the mortgage has been recorded in compliance with the recording acts of the various states.

THIS discrimination against new creditors is repugnant to the notions surrounding conventional extension arrangements with debtors. Under these schemes the creditors entering into extension agreements with debtors covenant that any and all claims on account of new money advanced or new credit extended to the debtor on and after the execution of the agreement shall have preference and priority over all claims extended by virtue of the agreement.

Perhaps somewhere trust mortgages (together with the concomitant trust agreement) do make provision to safeguard new credit. If not, cannot the attorneys who formulate these instruments devise a method to give protection to the new suppliers of credit? In fairness to some who administer these trust mortgages it must be said that the personal integrity of such individuals sees to it that the new suppliers of credit are paid promptly. Unfortunately this cannot be said in all cases.

What About Attaching a Debtor's Property?

THE recent case of *Kania v. Atlas Wire & Cable Company, Inc., et al.*, 214 S. C. 232, 51 S. E. 2d 762, 8 ALR 2d 575, directs attention to the function of attachments, the grounds upon which attachments can be made, and their general effectiveness.

The ease with which attachments can be made in a state like Massachusetts (and other New England states) probably astounds practitioners in most other states where the law permits attachments only under certain conditions.

In Massachusetts, for example, a creditor has the legal right of attaching a debtor's property without alleging any grounds for so doing (this right existing even in the case of unliquidated or controverted claims). The only modifications of such absolute right (in Massachusetts) lie in the necessity of obtaining an order of court before an automobile can be attached, or before wages and salaries can be attached, or a keeper is placed in a business place. This order, however, is generally obtainable with much less effort than obtaining the writ of attachment on affidavit as required in most other states. And it must be remembered that in all other cases no order of court is necessary in Massachusetts.

It may also be added that in Massachusetts there is a form of attachment (trustee process) so versatile that the mere service of a copy of the trustee writ, placed in the hands of an officer for that purpose, effectively ties up deposits in a bank, and any money or credit due the defendant in the hands of one who owes the defendant. Under certain rare conditions this writ cannot be used (as in certain torts), and in a few instances where the amount claimed is over $1000 a bond must be furnished. Attachment of real estate in Massachusetts is accomplished by the filing of a copy of the writ by the officer in the Registry of Deeds where the defendant's land lies.

A defendant has the right to have an attachment dissolved by bond with satisfactory sureties (in Massachusetts) but often this bond (if, for example, a surety company is on the bond) is a better substitute than the attachment because it eliminates the necessity of levy of execution on the attached property in the event an execution has issued.

IT IS hardly necessary to comment on the effectiveness of an attachment. The defendant's property is held in legal custody abiding the order of court directing the application of the property to the payment of the creditor's judgment. Thus the debtor cannot dissipate nor dispose of the property pending the proceedings. The attachment deprives a debtor of much needed property and this frequently forces him to make a speedy settlement. It is in this respect that an attachment (in Massachusetts especially) constitutes a real hardship in many instances (as where the attachment is excessive or where the claim is disputed and debtor must wait, say, two years for his case to reach trial before a jury) a harsh treatment as compared with the manner in which attachments work in most other states.

ATTACHMENTS before judgment are not possible except upon certain statutory grounds, in practically all the states outside of New England. In some states they are permissible only upon matters arising out of contract. In some states the demand must be due and liquidated. The grounds vary according to states but generally they can be classified as follows: that the debtor has absconded or absents or conceals himself with the intent to defraud creditors; fraudulent transfer or disposition of property; that the debtor is about to dispose of his property in fraud of creditors; that property has been left by a deceased nonresident; where there has been fraud in incurring the liability; and some other lesser known grounds.

These states (outside of New England), as may be seen, put a protective arm around the property of their people by making attachments relatively difficult. It is not an easy matter to establish the grounds for attachment in these states. And the case at the head of this item (*Kania v. Atlas Wire & Cable Company, Inc., et al.,*) shows that some states make it even more difficult. Thus the court of South Carolina is representative of some of the courts throughout the country which do not

tolerate attachments on the mere affidavit that a debtor "has made and is endeavoring to assign, sell or dispose of, its assets". . . . in fraud of creditors. These courts *require the facts to be stated* in the affidavit which will be sufficient to support an attachment on the statutory grounds. To show a debtor's intention is extremely difficult, of course. Intent may be inferred, nevertheless. For example, it was held in *Obrecht v. White,* 162 Md. 391, 159 A. 899, that the debtor's three days' absence from his residence and business in a place unknown to those in charge of his property, was sufficient to justify an assumption that he had absconded.

Whether the right of an attachment is absolute, or conditional upon certain statutory grounds, it is, naturally, a powerful instrument in the hands of a creditor. A credit man may well study its use further for such time as it may be needed. But the credit man should always study the subject in relation to what information he needs as to his debtor's conduct so as to furnish proper grounds for attachment in those states which set forth only special grounds for attachment.

(Carl B. Everberg's "Legal News and Notes" appears monthly in CREDIT AND FINANCIAL MANAGEMENT. *Readers' comments and suggestions are welcome.)*

Credit Problems from Three Angles Covered At New York Forum

New York: Credit checking from the factor's viewpoint and credit problems of bankers and manufacturers were thoroughly discussed at the monthly forum of the New York Chapter, National Institute of Credit at the Hotel Statler on Thursday, January 19.

John H. Vogel, Meinhard, Greeff & Co., described how factors approach their credit problems. The bankers were represented by William J. Jantzen, Bank of the Manhattan Co., and the manufacturers by John B. Schoenfeld, Forstmann, Inc. The speakers were introduced by A. Melville Jackman, J. L. Stifel & Sons, Inc., who also acted as moderator.

What are Your Bad Debts Worth?

By MAURICE S. PREVILLE
David Berdon & Company, New York, Certified Public Accountants

THE pattern and mechanism of current business, requiring the extensive use of credit, entail the substantial risk of credit losses. These losses (which on occasion are of ghoulish variety) do more than mar the serenity of the credit extender; they leave an indelible mark on the financial structure.

The tax effects of bad debts will to some extent neutralize their impact. But in order to achieve the maximum reduction in taxes, it is essential that the taxpayer embrace every alternative in regard to the time and manner of claiming and establishing the losses involved.

A knowledge of the principles discussed hereunder can oftentimes convert bad debts into the maximum of tax-saving dollars.

Sales of Claims:

WORTHLESS receivables may be charged off in whole or in part as an ordinary deduction by a commercial or industrial company. This deduction applies (without limitation) against every type of reportable income. The taxpayer, consequently, by this kind of tax-allowance obtains the highest return of capital lost available under the Internal Revenue Code.

On occasions, a taxpayer may seek to convert its doubtful accounts into cash by selling or assigning such accounts to third parties for whatever they will bring. The loss sustained by virtue of such a transaction changes in character from an ordinary deduction to a capital loss. As a capital loss the amount thereof may be offset only against capital gains, the absence of which operates to deprive the taxpayer of any recovery of income taxes. The capital loss classification can be truly burdensome in its effect.

The taxpayer, therefore, must fully appreciate the difference in income tax treatment of bad debt losses, according to whether such losses qualify as ordinary deductions or capital losses.

If a creditor accepts less than the full amount from his debtor, because of the debtor's defenses or inability to pay, the resulting loss will be a proper offset against all business income. No matter what form the compromise with the debtor may take, so long as it can be established that the debtor is settling the indebtedness for less than the full amount, whether directly or through agents, the creditor's loss will be treated taxwise as a business deduction.

SINCE settlements and debt adjustments take many forms, it is important to establish that the settlement is actually with the debtor, and to preserve the evidence substantiating that fact.

In one case, a corporation which owned notes aggregating $380,000 sought to compromise its indebtedness. It authorized its treasurer to acquire the notes for cancellation for 25% of their face, and the noteholders finally accepted $162,000. The notes themselves were turned over to the corporation which reimbursed the treasurer for his outlays, and cancelled the notes.

The U. S. Government claimed that the noteholders had sold the notes to the treasurer and that their loss was a capital loss on the sale, and therefore not fully deductible. In order to establish their right to the full loss deduction, these creditors were required to litigate and satisfy the court that the treasurer was actually only an agent of the corporate debtor, and that consequently the loss was a fully deductible loss sustained on a compromise directly with the debtor.

Thus, in any composition settlement which as a part of its mechanics requires the assignment of debtors' claims to a third party, it is important to obtain a clear record that the assignee, in obtaining the claim at a discount, is acting solely on behalf of the debtor, and is not in fact purchasing the claim for himself.

WHERE sales of receivables at a loss are nevertheless contemplated, it is usually advantageous to charge-off prior to the sale the portion of the account which is considered uncollectible. A deduction against ordinary business income is allowed for the portion of the debts that become worthless and were charged off within the year. Any additional loss sustained on sale of the receivables will be a capital loss deductible only against capital gains. A recent case held, however, that a sale of receivables in the same taxable year in which the charge-off of the portion deemed to be worthless occurred invalidated the ordinary deduction for the amount charged off and made the entire loss on the receivables a capital loss. If practicable, then, the sale of receivables should be made in a tax-

able year following the write-off of the uncollectible portion of the receivables.

Controlling Time for Loss Deductions On Collateraled Debts:

FREQUENTLY, accounts of somewhat questionable credit are bolstered by some form of collateral that may take the nature of securities, life insurance policies or other property. Under such circumstances the creditor has considerable latitude in fixing the year in which the uncollectible portion of the accounts may be used as a deduction against taxable income.

As indicated, creditors are permitted to withhold the charge-off of bad debt losses until the year in which the accounts become wholly uncollectible, or to write off such part of their claims as become uncollectible in any year. No consistency is required, and each doubtful account can be treated individually. Since accounts with collateral will invariably realize some recovery out of the collateral, these accounts need not be charged off for tax purposes until the security has been liquidated, even though it is clear that nothing can be collected from the debtor beyond the value of the pledged property.

By applying this rule, a bank which in 1932 had a receivable loan of $900,000.00 secured by collateral having a then value of $248,000.00 but otherwise uncollectible was enabled to postpone the taking of its bad debt deduction until 1936 (when presumably it had taxable income to be offset) by delaying the sale of the last of the collateral until that year.

If life insurance policies are taken as collateral and no further realization may be obtained from the debtor, the creditor may write off the amount of the debt in excess of the cash value of the policies, or the creditor may decide not to charge off any portion of the indebtedness which is less than the face amount of the policies. Of course, in the year the policies are surrendered and no further collateral is held, the uncollectible balance of the debt must be charged off. Premiums paid by the creditor to maintain the insurance collateral in force, if not collectible from the debtor, qualify as tax deductions.

Since the taxing authorities are in effect partners in the business during profitable years, the importance of satisfying the technical rules for charging the taxable profits with the proper amount of losses is evident.

Recoveries of Bad Debts:

THE happy recoupment of a bad debt is not always worth 100 cents on the dollar. Since a deduction was previously taken for the worthless obligation, the recovery is subject to the full impact of ordinary tax rates and the recoupment to the taxpayer must be figured net of taxes. However, the statute now provides for the exclusion from income of a bad debt recovered within the taxable year where the original deduction allowed on account of the bad debt did not result in a reduction of the taxpayer's income tax.

The tax-conscious creditor will therefore be especially selective about which bad debts to pursue and when to consummate the recovery. No one will of course reject any possibility of recovery of a bad debt but, since one has only limited time and energy to spend in this direction, it would seem wise to exert one's efforts in the direction of the highest return—net after taxes.

Thus, if a creditor showed a loss in 1948 and profits in all other years, it would be wise to concentrate recovery efforts on the accounts that were written off during 1948 and which gave no tax benefit

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Business Responsibility

In a Changing World

by HENRY P. TAYLOR

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President, Taylor & Caldwell, Inc., Walkerton, Virginia

INDUSTRY has been somewhat bewildered by the events of the past 16 or 18 years. It feels that it played a large part in making it possible for 13 weak colonies to grow into the wealthiest nation in the world—where wealth is more widely distributed and the standard of living is highest, where the small farmer and laboring man own and ride in their own automobiles.

Industry felt that it had done an outstandingly good job, and it was dazed and confused when its mistakes were misrepresented and exaggerated and its contributions to our economy belittled and treated as of no importance. It felt that it had been unfairly accused before the bar of public opinion, and that the unfairness was so self-evident that there was no excuse for not seeing it.

The present interest of industry in its own communities is in part due to its lack of success nationally and is part of an attempt to regain the position of leadership in the councils of the Nation which it once enjoyed, but unless industry recognizes clearly the reasons it lost this position of leadership it cannot hope to regain it either locally or nationally. If its objectives are chosen for tactical reasons only, it cannot hope to win strategic victories. Industry must delve for the fundamental reasons which cause a majority of the voters in this country not to trust the labor leaders and their politicians more (for all of the evidence is that these people are not trusted) but to trust industry even less. No amount of superficial "do-gooding" in local communities will win this trust and confidence.

THE starting point of industry's loss of leadership was the depression. Had there been no depression, with its misery and fear and despair, there would have been no thought of seeking new means to regulate our economy. But there was a depression and along with it came a new theory of controlling our economy backed by the most adroit political leadership this country has even seen.

In my opinion business leadership will not begin to regain its lost place in the councils of our nation until it patiently sits down to disentangle the true from the false in the charges made against it, points out the false and acknowledges the true and seeks ways to correct its errors. If it does a good honest job of this, the country will be more ready to listen to the criticism which business leadership can soundly make of its opposition.

The charges made against business then, and still repeated, are false in three important ways: (1) That business was solely responsible for the depression; (2) That the morality of business is distinctly lower than that of other elements of our society; (3) That the economic practices of business are far less sound than the theories of its critics. These charges simply are not so.

The depression was the result of economic sins which all of us committed. Years ago there was a bad accident on a crowded excursion steamer when all the passengers ran to one side of the boat and turned it over. The depression was a similar accident to the ship of our economy. Our people rushed violently to the side of spending on credit during the late 'twenties. They bought houses and gave first and second mortgages; they bought automobiles, radios, washing machines and electric refrigerators on down payments; they bought from department stores on open account, securities on margin, and they borrowed money at the bank which they also spent.

Our national buying power became our money income plus the credit we could get, and this meant a large increase in physical volume which business went into debt trying to supply. Then we reached our credit limit, and our buying power became our money income less what we had to pay on what we owed. This meant a tremendous decrease in the physical volume of goods and services which could be bought at current prices. The urgent need was for lower prices so our impaired money income could buy a larger physical volume, so that people could be put back to work and buying power could be built up again. Lower prices made lower wages necessary, but note that unemployment and low wages were the *result* and not the *cause* of what happened. Remember, too, that the present administration possesses no charm which will give *it* immunity from the punishment for sin against economic law.

BUSINESS was not solely responsible for the depression, but business has never made any real effort to show the average man what causes led up to the depression and it has never had anything to say about the failure of business leadership to diagnose and correct the abuses and economic sins which made a depression inevitable. It is failure like this which has kept the average man from trusting business leadership. He recalls that the depression that started in 1929 (which he thinks of as the greatest depression this country has ever known) followed an eight-year period during which business leadership had its own sweet way. He recalls that the fuse which set off the explosion was the build-up of the big bull

market in delusions of grandeur and its collapse in a welter of misery. He recalls that business opposed any real control of the sale of securities in Wall Street. He recalls that Big Business, foreseeing the evil day and building up huge cash reserves against it, put these reserves in Wall Street and added fuel to the flames of speculation, simply because the rate of interest was higher there than anywhere else. He recalls how frightened much of our business leadership was in 1933, when our economy seemed about to topple around our ears, and that they didn't seem to understand what had happened or what to do about it.

The truth is that in spite of the perfectly tremendous contributions which individual industries have made to our economy in their individual fields, American business and industry have not furnished the country with real economic leadership.

Our business and industrial leadership too often seems to care only for itself. For instance, the thing which it insists is most vitally important to our economy is a profit for itself. It goes on to say that free enterprise which made us great and the profit system are all one and the same thing.

NOW how does the average voter react to this? In the first place he doesn't really know what free enterprise is, and no one has ever bothered to explain it to him or how it has made this country great, so he just passes that up as a piece of propaganda. In the second place, he looks on profit as an involuntary contribution he is compelled to make to someone who needs it less than he does, and for whom he has no use, and he deeply resents it. Is it any wonder that in so many instances he falls for propaganda promising an economic Utopia where there shall be no profit, only plenty and gladness? Is it any wonder that so far as he is concerned the profit system is totally without honor.

There is nothing in what I advocate which is inconsistent with sound business. I believe in competition, I believe in personal freedom and personal responsibility, I believe in economic law. I believe that there are inherent in human society economic and ethical laws the observation of which is as fundamentally necessary to order in human society as the physical and chemical laws are to order in our physical universe. I believe that as man has been able successfully to apply these physical and chemical laws to the production of those things which satisfy his physical needs, he can discover and successfully apply the economic and ethical laws to the distribution of these things. I believe that to attempt to solve our economic and social problems in any other way is to be like children building a dam across a stream and making no provision for an overflow. The more successful they are at first in stopping the water, the more disastrous will be the break later on.

Business and industry have a challenge which they cannot evade. If they meet it successfully they will contribute as enormously to man's happiness as they have already contributed to his physical comfort.

Lower Rates for Blanket Bonds Are Announced

LOWER rates and broader coverages under Bankers Blanket Bonds, Standard Forms Nos. 2 and 24, for commercial banks, were promulgated on January 9 by The Surety Association of America, as a result of a survey of commercial banks, savings banks, and savings, building and loan associations, and their bonding requirements.

A new rating approach has been introduced by the Surety Association for Insuring Clause E of Forms 2 and 24, following a comprehensive analysis of over 40 per cent of commercial banks carrying Insuring Clause E. This analysis explored the possibilities of providing a rating procedure based upon the type of transactions insured by this clause. These revised rates for Insuring Clause E are not applicable to industrial banks and American agencies of foreign banks.

The amounts of loans and discounts reported by these banks in their annual financial statements provided a consistent guide as to the medium appropriate for this approach. It was recognized by the Association that the liability under Clause E was not always the total amount of loans and discounts, and consequently, premium charges developed by the revised rating procedure reflect adjustments for these factors.

The application of this revised rating procedure, accordingly, has produced reductions in overall premiums for this clause estimated at 35 per cent. In addition to the dollar reductions involved, a more suitable rating structure has been developed.

Effective also on January 9, misplacement coverage became a component part of Forms 2 and 24, and this additional coverage is granted to all insureds carrying these forms, with no increase in the basic cost of these bonds. Insureds not presently carrying misplacement coverage will receive the benefit of this broad coverage without additional charge, while those insureds presently carrying it will receive reductions ranging from 3.8 per cent to 16.6 per cent, depending upon the amount and form of the bonds.

Rates for Savings Banks, and Savings, Building and Loan Associations also were reduced 20 per cent, effective on the same date.

YOUR BAD DEBTS

(Continued from Page 25)

in other years through the operation of the carryback and carryforward provisions of the law. Such a recovery would indeed be worth face value since it would not be includable in current income when recovered and no income tax need be paid thereon. A recovery of a bad debt written off in one of the other years would be subject to tax and the fruit of the collection efforts would be worth considerably less than par value.

Again, it may be possible to determine within which year the recovery shall fall. When the recovery is available near the close of the taxable year it could easily be postponed until the beginning of the succeeding year. In these cases the relative income tax brackets of the creditor in each of the years must be compared and the recovery routed of course to the lower bracket-year.

Seasonal Trends Shown in Survey Conducted by Chicago Association

Seasonal trends are reflected in the latest (the tenth) quarterly survey of accounts receivable conducted by the Chicago Association of Credit Men. The survey covers approximately 350,000 accounts in the Chicago market. Accounts reported on included those of Chicago manufacturers, wholesalers, distributors and financial institutions.

The figures for the various types of accounts, in percentages, are listed below with comparative figures for the previous survey and those of a year previous. Age of accounts is given in days.

All Types	*Discounting*	*When Due*	*Past Due*	*Average Age of Accounts*
November, 1949	62.3%	26.9%	10.8%	29.1 days
August, 1949	56.4%	32.2%	11.4%	31.4
November, 1948	58.2%	31.3%	10.5%	27.1
Retail				
November, 1949	62.4%	25.3%	12.3%	31.4 days
August, 1949	63.7%	22.2%	14.1%	31.5
November, 1948	54.6%	33.2%	12.2%	29.4
Wholesale				
November, 1949	61.3%	28.9%	9.8%	28.6 days
August, 1949	57.6%	32.8%	9.6%	33.8
November, 1948	60.4%	29.1%	10.5%	25.8
Industrial				
November, 1949	63.2%	27.6%	9.2%	29.6 days
August, 1949	44.6%	44.5%	10.9%	34.5
November, 1948	58.2%	33.0%	8.8%	23.8

An Engineer's Appraisal of

The Current Outlook

(Continued from Page 6)

American worker is convinced that he can attain greater security and fair treatment from his employer than from his union membership card, can we hope to remove the blight of the closed shop from our economy.

You may feel that belaboring some of the manifestations of our faulty national thinking is a poor method of appraising the economic outlook. Frankly, I believe it is the key to the whole question for I assume that we are concerned with something more than just the near term vista.

Current statistics of employment, farm prices, savings, inventories, production figures, national income —and most of the standard indices —permit the assumption that the next year or so will see business continue at satisfactory levels. That was the prospect in 1928 except to those who recognized the character of the storm clouds even then visible on the horizon. Please do not infer from that observation that I believe a replica of the 1929 crash and the depression which followed in its wake are inevitable—but it is a possibility and only the fatuous can believe that America, with all its riches, can carry on its mad flirtation with socialism without destroying our priceless system of free enterprise or continue deficit financing year after year without an ultimate collapse of our whole financial structure.

IT WOULD seem, then, that the answer to the economic outlook could only be determined if one knew—first, if the present trend toward complete statism can be halted, and, second, how far and how fast the corrective processes would proceed from that point. The clairvoyant powers necessary to divine the answers to those two riddles is something which I, personally, do not possess. In lieu thereof, I can only give you my own beliefs which I urge you to discount accordingly.

The most effective relief that I know of, for a disturbed mind in times such as these is to read history, for it discloses a cyclical pattern so consistent as to warrant the assumption that history will keep on repeating itself so long as there are human beings to make it.

Applying the calipers of history to our present situation is an intriguing process for we have to go back no farther than thirty years ago in this country to recall certain events which may well furnish the answer to our present problem. I refer to the 18th Amendment—a noble experiment in legislating social morals. It required eighteen years for a majority of our people to become convinced, through their own personal experience with prohibition, that you can't legislate morals.

To view it more fundamentally, however, all our history as a nation and the character of our people who have made that history, compel the assumption that the generations now alive—as those before—will find the right answer, for here we are, with potentials brighter than any nation in all history has ever known, with the blessings which are uniquely ours, highlighted every day by events in other parts of the world. Is it conceivable then, that a nation as intelligent, as resourceful, as freedom-loving as America will not rid itself of the small, fuzzy-minded politicians who came into power only through a series of fantastic accidents of history? Is it reasonable to think that the rank and file of labor who are inherently fine, right-minded citizens will not eventually come to realize what the machinations of Harry Bridges, the demagoguery of Philip Murray, the arrogance of John L. Lewis and the racketeering of many union officials is costing them in the long run? Can we not believe that the farmers will sense the dangers to their freedom of action if they persist in profiting at public expense? In short, may we not hope that the time is approaching when a working majority of our people will, because of their own personal experiences, make the reversals in their thinking which are necessary if we are to achieve the high destinies possible to us as a nation?

For sixteen years business men have been wearing hair shirts, confessing their sins and pleading for leniency from political shrivers who haven't the faintest concept of sound economics—or the moral courage to expound them if they did. For sixteen years bankers, generally, have refrained from any real militancy in the battle between the New Deal and our traditional American system. But today the whole world is sick. It is sick emotionally, sick politically and, virtually all the world but America, is sick economically. So it is time that business men, bankers and all intelligent people throughout America, tear off their hair shirts, stop repenting and start preaching — preaching the truths they know. Stop wasting time selling one another in Chambers of Commerce, in the trade associations and conventions and start selling the masses. They must outsell the Trumans, the Bridges, the Murrays, the Wallaces, the Townsends and the fuzzy-minded people everywhere.

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How Do You Measure Up?

(*Continued from page 8*)

necessary to keep on a steady even keel in his conduct and thinking.

With respect to his relationship with top management, he must have all the qualities of a good employee, which includes such factors as loyalty, dependability, a good sense of humor, a high moral code of living and many other things all of you know are necessary. The one thing to which I would like to give special mention in respect to being a good employee is my own opinion that the executive credit man who spends all of his waking hours on his job is not a good employee. During the five or six days that his company requires him to be on duty he should be on the job body and soul, and, of course, when there is any special emergency he should be anxious and willing to devote the extra time that is required. However, he should not spend all of his evenings and weekends in his office or he will soon lose his perspective, perhaps his health and even his future business success.

IN CLOSING I want to voice to you my own sincere conviction that a credit executive is in a better position than any other department head to learn all phases of the operation of the business. The credit manager who can develop the qualities discussed here is in an excellent position for promotion to the top management of any company. This should be a great incentive to young men to want to work in the credit department of a company, although my observation is that most employees, including the credit manager, find themselves in that department more or less by accident.

Credit executives play a very important part in the general business picture of this country. Goods and services could not be freely exchanged without the credit system.

Four Countries Again Tie for Top Place

(*Continued from page 12*)

ored by the Government without delay. We also understand that each case is being thoroughly investigated by the authorities in Peru and that they have a large number of cases to review.

Current Survey of Collections—Jan. 1950

(In percentages of replies received)

	Prompt	Fairly Prompt	Slow	Very Slow
Argentina	3%	9%	10%	78%
Bolivia	56	22	10	12
Brazil	8	11	30	51
British Possessions	83	4	6	7
Chile	40	9	26	25
Colombia	30	15	41	14
Costa Rica	18	12	33	37
Cuba	84	6	6	4
Dominican Republic	85	5	6	4
Ecuador	69	10	13	8
French Possessions	82	3	8	7
Guatemala	64	16	13	7
Haiti	86	4	5	5
Honduras	50	8	28	14
Mexico	70	13	10	7
Netherlands Possessions	79	4	13	4
Nicaragua	75	6	6	13
Panama	85	5	6	4
Paraguay	46	3	28	23
Peru	38	9	25	28
Puerto Rico	76	4	8	12
El Salvador	51	9	27	13
Uruguay	49	4	31	16
Venezuela	69	7	13	11

Survey of Terms Granted During Last Half of 1949
As Compared With 1948 Terms

(In percentages of replies received)

	No Change	More Liberal	Less Liberal
Argentina	95%	—%	5%
Bolivia	88	3	9
Brazil	96	2	2
British Possessions	93	4	3
Chile	83	3	14
Colombia	80	6	14
Costa Rica	95	1	4
Cuba	97	3	—
Dominican Republic	97	2	1
Ecuador	92	3	5
French Possessions	96	3	1
Guatemala	96	4	—
Haiti	97	2	1
Honduras	88	5	7
Mexico	90	6	4
Netherlands Possessions	91	5	4
Nicaragua	93	3	4
Panama	98	1	1
Paraguay	88	3	9
Peru	85	4	11
Puerto Rico	91	3	6
El Salvador	88	4	8
Uruguay	90	5	5
Venezuela	91	4	5

ASSOCIATION

NEWS

Credit

and FINANCIAL MANAGEMENT

LOCAL

NATIONAL

Executive Manager Has Extra Heavy Speaking Schedule

NOBODY in the National office has kept track of the mileage covered by executive manager Henry H. Heimann during the past few months, but even if anyone had it is doubtful whether the figures would be believed, for he definitely qualifies for the title of the "travel-ingest" executive manager in Association history. Being a first rate speaker, anxious to visit every local Association that calls on him, being, too, in great demand by other organizations, he could claim to have done more work in airplane cabins than most executives.

Take a look at last September, for instance. In the three weeks from September 6 to September 27 he appeared as principal speaker at a meeting of the Rocky Mountain Association in Denver, attended the Western Secretary-Managers' meeting at Colorado Springs, spoke at Quincy and Springfield, Ill., addressed the 50th anniversary meeting of the Seattle Association and a credit men's meeting in Fort Worth, took in the Southwestern conference at Waco and spoke before the Middle Atlantic Wholesalers annual meeting at Atlantic City.

Back East, back West

In October, traditionally the regional conference month, Mr. Heimann appeared at Memphis for the Southeastern conference, the Illinois State conference at Chicago, the Tri-State conferences at Sioux City, Iowa, and St. Joseph, Mo., the credit women's conference at St. Louis and the Wisconsin conference at Green Bay. November was a reasonably light month which included visits to the Allentown (Pa.) credit men, the New England conference at Providence and the National Board meeting in Chicago.

In December he was back in Seattle at the invitation of the First National Bank. He addressed a joint meeting of all the leading bankers of Washington, Oregon, Idaho, Montana, British Columbia and the Territory of Alaska. While on the coast he spoke before the Tacoma Association on the occasion of its annual meeting. From the coast he came back East and spoke at Washington., D. C., then back to Columbus, Ohio, and St. Louis, then home for Christmas.

More convention news on page 32

LAST month he was on the move again with a very full schedule of talks covering every wholesale credit organization in California. Capacity audiences greeted him at all points. He spoke before a joint meeting of the Credit Managers' Association of Northern and Central California, Sacramento Chapter, and the Retail and Wholesale Credit Associations at the Senator Hotel Monday noon, January 9. His subject was entitled "Real Prosperity or Inflation."

Speaking on Tuesday noon, January 10, at the Pump Room, Stockton, on the subject, "Credit Problems in a Political Economy," Mr. Heimann was again greeted by an overflow crowd of members of the Stockton Chapter of the Credit Managers' Association of Northern and Central California.

Tuesday night he spoke before a joint Board of Directors' dinner meeting of the Credit Managers' Association of Northern and Central California and the Wholesalers' Credit Association of Oakland held in his honor at the Bohemian Club in San Francisco.

One of the largest gatherings of Credit Men greeted him in San Francisco at the Rose Room of the Palace Hotel. Mr. Heimann spoke before the January meeting of the Credit Managers' Association of Northern and Central California to which a special invitation was sent to members of the San Francisco Chapter, California Society of Certified Public Accountants, Cost Accountants, Sales Managers' Association of San Francisco, Office Managers' Association and the Retail Credit Association of San Francisco. His subject was, "What is Ahead for Business in 1950?"

On Thursday he journeyed to Fresno to address a large gathering of members of the Fresno Chapter, Credit Managers' Association of Northern and Central California, the Kiwanis Club and the Fresno County Chamber of Commerce, at the Californian Hotel, his subject "A Preview of 1950."

Friday noon, January 13, at the Leamington Hotel in Oakland Mr. Heimann talked to a capacity gathering of members of the Wholesalers Credit Association of Oakland and the Oakland Chamber of Commerce on the subject "A Preview of 1950."

(Foot of next column)

Large Attendance Expected at 54th Credit Congress

Los Angeles, if present indications are anything to go by, will be a crowded town come May 14. Traditionally a city where they do things in the bigger and better manner, Los Angeles is preparing to welcome droves of credit executives when they play host to the 54th annual Credit Congress.

That the registration will be large is indicated by the special travel arrangements being made in various parts of the country. Several special trains are planned with interesting side-trips offered at moderate cost. The New York and New England Associations intend to combine in a special train that will leave New York May 5 and allow time for visits to such famous spots as Colorado Springs, the Royal Gorge, Salt Lake City, San Francisco, Yosemite, Las Vegas, Hoover Dam and Zion National Park. In all the trip will take nineteen days. Credit Associations in the Ohio Valley region and Chicago also plan a special train with stopovers at various national shrines.

The last convention in Los Angeles was in 1934. That year Fred Roth of Cleveland was elected President to succeed Ernest I. Kilcup of Providence. Three convention specials headed for Los Angeles from New York, Chicago and St. Louis. President Callaway was a member of the nominations committee.

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(From previous column)

On Monday and Tuesday, January 16 and 17, he was in Los Angeles to attend and address the second annual Business Outlook Conference sponsored by the Los Angeles Chamber of Commerce. Besides the Chamber several other business organizations participated in the conference, notably the Advertising Club, the Marketing Association, Los Angeles Credit Managers' Association, the Sales Executives' Club, the Certified Public Accountants and the Life Underwriters' Association. He finished his California tour with an address on Wednesday, January 18, during the annual meeting of the San Diego Wholesale Credit Men's Association. On Thursday he was back in the office in New York.

MEMBERSHIP PROGRESS REPORT

May 1, 1949 to January 31, 1950

Class AA	Net Gain	Members 1-31-50	Percent
Chicago	46	2072	102.27%
Louisville	16	1051	101.54
Indianapolis	12	957	101.26
Class A			
Boston	41	632	106.93%
Pittsburgh	41	800	105.40
St. Louis	23	889	102.66
Class B			
Denver	24	334	107.74%
San Diego	27	440	106.53
New Orleans	11	287	103.98
Class C			
Houston	54	256	126.73%
Syracuse	25	226	112.43
Toledo	6	212	102.91
Class D			
Columbus	18	129	116.21%
Bridgeport	6	108	105.88
Green Bay	7	126	105.88
Class E			
Nashville	24	72	145.83%
Cape Girardeau	19	61	145.24
Elmira	8	54	117.39
Class F			
Quincy	9	36	133.33%
Erie	6	26	130.00
Madison	3	18	120.00

How to Handle "Slow But Good" Accounts Discussed at Newark

Newark: A panel discussion of the slow but good account highlighted the January 16 forum of the New Jersey Association of Credit Executives. President M. C. Price, Sherwin Williams Co., acted as moderator. Others on the panel were Ann L. Kilkenny, Burry Biscuit Co.; William Hummer, Elastic Stop Nut Corp.; Fred Graft, H. W. Mills Co., and Patrick J. Collins, Zenith Radio Corporation of New York.

A motion picture—"Every seventh family"—followed the panel discussion.

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The Boston Credit Women's Club sponsored and conducted the January 24 dinner meeting of the Boston Credit Men's Association, which was held at Schraffts, 16 West Street, Boston, Mass. Reception, 5:30 P. M.; dinner, 6:15 P. M.

Invocation was given by our President, Miss Reggia DeForge. The meeting was opened by James N. Jones, President, Boston Credit Men's Association.

Miss DeForge introduced our guest speaker, the outstanding Penologist, Dr. Miriam Van Waters, Supt. of the Reformatory for Women at Framingham, Mass.

Calling All ZEBRAS

Los ANGELES Herd #1 recently held a meeting at which plans for the Convention in May were fully discussed. Los Angeles Zebras are making elaborate arrangements for the reception and comfort of their guests and have accordingly decided on a uniform to enable delegates who will be here in May to readily distinguish them. As all of you well know, Los Angeles is spread over a vast area. Those of you who are not familiar with our city might find it difficult to find addresses or locations of various activities and that is where the Zebras come in.

We will be in uniform and stationed at strategic spots, such as depots, hotels, airports, etc. We will make it our business to assist you in any way we possibly can. Our purpose is to acquaint you now with our plans, so that you can—

"ASK A ZEBRA"!

Way back in 1934 when the Convention was held here, the Los Angeles Herd made every effort to be of assistance to our guests. Credit men everywhere are still telling us how they enjoyed our activities. But "you ain't seen nuthin' yet." This time we will have more men available, we will be better organized and we promise to make you proud of the fact that you are a Zebra.

We will do everything we can to make your visit a pleasant one—one that you will remember long after the Convention is over. Give us a chance to confirm this statement. Come on out and meet with us. You won't regret it.

A story is told about a very well-satisfied man who arrived at the Gate of Heaven and asked for admission.

"Where are you from"—

"California," replied the applicant.

"Well," said Saint Peter," "You can come in—but you won't like it."

You may not like California, but we Zebras promise you that if you don't, it won't be our fault.

"AND DON'T FORGET—ASK A ZEBRA!"

Florida Managers Hold Discussions at Miami

Miami: The managers of the three Florida Associations, A. H. Dunlap of Jacksonville, Duval M. Smith of Tampa and Victor L. Wright of Miami, held the first of a planned quarterly series of conferences January 26. They spent the day discussing matters of mutual interest between their Associations and in making plans to improve service to the credit executives of Florida as well as Associations out of state.

Committees Announced for Industry Meetings

Roy Worth, The Electric Corporation, general chairman of the industry meetings committee for the 54th annual Credit Congress, has announced the membership of the committees which will handle the various industry group meetings. Thirty-one meetings are scheduled and will occupy the whole of Tuesday, May 16. An interesting feature of this year's group day will be luncheon in the Biltmore Bowl for all attending the group meetings. It has been normal practice in the past for each group to schedule its own luncheon.

The following are the members of the various committees as of January 23:

ADVERTISING MEDIA

Chairman: Arthur A. Wendering, Berkeley Daily Gazette, Berkeley, Calif.
Vice Chairman: E. Houlihan, The Chronicle, San Francisco, Calif.
Committee: John F. Clark, Toronto Star, Toronto, Canada; Robert Gramm, Times Herald, Washington, D. C.; J. D. Robertson, Detroit Free Press, Detroit, Mich.; G. W. Sites, Los Angeles Times, Los Angeles, Calif.

AUTOMOTIVE

Chairman: James E. Recabaren, Willard Storage Battery Co., Los Angeles, Calif.
Vice Chairman: H. L. Monroe, S.K.F. Industries, Philadelphia, Pa.
Committee: Gordon A. Graham, H. S. Watson Co., San Francisco, Calif.; Lorna Millan, Magneto Sales & Service Co., Los Angeles, Calif.; Kathryn M. Sirc, Edgar A. Brown, Inc., Cleveland, Ohio; C. D. Smith, Willard Storage Battery Co., Toronto, Ontario; Cecil H. Tait, Motor Supply Co., Inc., Monroe, La.; K. M. Thompson, Packard Elec. Div., G.M.C., Warren, Ohio.

BANKERS

Chairman: M. F. Bowler, Jr., Farmers & Merchants National Bank, Los Angeles, Calif.
Committee: G. L. Schluter, California Bank, Los Angeles, Calif.
R. L. Hock, Citizens National Trust & Savings Bank, Los Angeles, Calif.

BREWERS, DISTILLERS & LIQUOR

Chairman: Sidney Levy, Park & Tilford Import Corp., Los Angeles, Calif.
Vice Chairman: Henry Hyland, Haas Bros., San Francisco, Calif.
Committee: J. T. O'Brien, Kinsey Distilling Co., Philadelphia, Pa.; Miss Marcella Ritter, Jas. E. Comiskey Co., New Orleans, La.; John H. Wilson, Schlitz Brewery Co., Milwaukee, Wisc.

BUILDING MATERIAL AND CONSTRUCTION

Chairman: Harold H. Gloe, Morrison-Merrill & Co., Salt Lake City, Utah.

Group Meetings Are Important -and Here's Why

Each year there has been a growth in the importance of Industry Meetings held during the Annual Credit Congress.

The Fifty-Fourth Annual Credit Congress to be held in Los Angeles this year, will be no exception to this. The General Industry Meetings Committee has been at work on the plans and programs for several months, and we are receiving excellent support from the various Industry Meeting Committees. Some programs are already complete and speakers engaged. Others are well under way. We can assure those of you who plan to attend the meetings at Los Angeles, May 14-18, that you cannot afford to miss the Industry Meetings on Tuesday, May 16.

These meetings will offer you an opportunity to meet with the representatives of your industry from all parts of the country, to exchange new ideas and discuss your individual problems.

The information gained and the help you receive, applied to your particular industry, will repay you and your company for the expense and time of attendance at the Convention.

Indications at this time are that the attendance will exceed any previous session. Make your plans now to be with us. Write your Industry Meeting Chairman that you will be there and would like to join in the discussions. The benefits you receive will amply reward your efforts. We will welcome you.

—Roy Worth
The Electric Corporation
Industry Meetings Chairman

Vice Chairman: J. Wilbur Morrison, Hogan Lumber Co., Oakland, Calif.
Committee: Glenn F. Ballard, Minnesota and Ontario Paper Co., Minneapolis, Minn.; J. A. Solinsky, H. H. Robertson Co., Pittsburgh, Pa.; Thomas J. Stodola, Cadillac Glass Co., Detroit, Mich.

CHEMICAL AND DYE

Chairman: Howard J. Gavigan, The Dow Chemical Co., Pittsburgh, Calif.
Vice Chairman: E. Fraigun, The Harshaw Chemical Co., Los Angeles, Calif.
Committee: Geo. Clayton, Rohm & Haas Co., Philadelphia, Pa.; J. C. Lynch, Pacific Coast Borax Co., New York, N. Y.; A. Wagner, Mallinckrodt Chemical Works, St. Louis, Mo.; John H Alexander, Monsanto Chemical Co., New York, N. Y.

CONFECTIONERY MANUFACTURERS

Chairman: Mildred McCall, Walter Johnson Candy Co., Chicago, Ill.
Vice Chairman: W. O. Berbrick, Walter Baker Chocolate Co., Dorchester, Mass.
Committee: Robert Getty, Rockwood & Co., Brooklyn, N. Y.; Grant Stewart, Chase Candy Co., San Jose, Calif.

DRUGS, COSMETICS AND PHARMACEUTICALS

Chairman: G. F. Knight, Brunswig Drug Co., Vernon, Calif.
Committee: C. D. Coburn, McKesson & Robbins, Inc., San Diego, Calif.; Earl Felio, Colgate Palmolive Peet Co., Jersey City, N. J.; A. R. Ordronneau, Pacific Drug Distributors, Los Angeles, Calif.; T. B. Templeman, E. R. Squibb & Sons, San Francisco, Calif.

ELECTRICAL AND RADIO MANUFACTURERS

Chairman: Charles M. Abell, International Resistance Co., Philadelphia, Pa.
Vice Chairman: Ray A. Mattson, Belden Mfg. Co., Chicago, Ill.
Committee: August Diener, P. R. Mallory & Co., Inc., Indianapolis, Ind.; John J. McKiernan, Jr., Struthers-Dunn, Inc., Philadelphia, Pa.; E. Junge, Hoffman Sales Corp., Los Angeles, Calif.; Roderic M. Wilder, Pass & Seymour, Inc., Syracuse, N. Y.

ELECTRICAL & RADIO WHOLESALERS

Chairman: W. S. Edwards, Hollywood Wholesale Elec. Co., Hollywood, Calif.
Vice Chairman: Allan Porter, Sunset Electric Co., Seattle, Wash.
Committee: Victor Brobst, Peirce-Phelps, Inc., Philadelphia, Pa.; Raymond P. Coyle, Hub Distributors, Inc., Boston, Mass.; C. D. McKeller, Southwestern Co., Inc., Dallas, Texas.

FEED, SEED AND MILLERS

Chairman: J. E. Siegel, Standard Brands, Inc., Los Angeles, Calif.
Vice Chairman: Frank W. Haime, Sperry Flour Division, General Mills, Inc., Los Angeles, Calif.
Committee: Allen Ziegler, West Coast Supply Co., Los Angeles, Calif.
S. J. Hunter, Fisher Flouring Mills, Seattle, Wash.
John E. Ledbetter, Northrup, King & Co., Minneapolis, Minn.

FINE PAPER

Chairman: M. C. Ulmer, Zellerbach Paper Co., San Francisco, Calif.
Vice Chairman: Ray P. Blair, Carpenter Paper Co., Los Angeles, Calif.
Committee: Edw. G. Holmes, C. P. Lesh Paper Co., Indianapolis, Ind.; Harriet Silvers, Graphic Arts Corp., Toledo, Ohio; Louis E. Smith, Whitaker Paper Co., Baltimore, Md.

FLOOR COVERING AND FURNITURE

Chairman: Owen S. Dibbern, The Paraffine Co., Inc., San Francisco, Calif.
Vice Chairman: Dorsey L. Caldwell, O'Keefe & Merritt Co., Los Angeles.
Committee: R. C. Hunt, F. S. Harmon Manufacturing Co., Tacoma, Wash.; Karl J. Webber, D N & E Walter Co., Los Angeles, Calif.; J. A. Wilkes, William Volker & Co., Los Angeles, Calif.

FOOD PRODUCTS AND ALLIED LINES MANUFACTURING

Chairman: J. F. Matthews, Carnation Milk Co., Los Angeles, Calif.
Vice Chairmen: Ray C. Major, C & H Pure Cane Sugar Co., San Francisco, Calif.; J. P. Sheffel, General Foods Corp., New York, N. Y.; John C. Wiesner, California Packing Co., San Francisco, Calif.

FOOD PRODUCTS AND CONFECTIONERY WHOLESALERS

Chairman: W. Ralph Rowe, Golden State Co., Ltd., San Francisco, Calif.
Vice Chairmen: Wm. M. Gaster, Knudsen Creamery Co., Los Angeles, Calif.; Wesley N. Jobe, Wm. Montgomery Co., Philadelphia, Pa.
Committee: Walter E. Erickson, Land O'Lakes Creameries, Inc., Minneapolis, Minn.; Howard Gardner, Klauber, Wangenheim Co., San Diego, Calif.; George D. Spillane, Beatrice Foods Co., Denver, Colo.

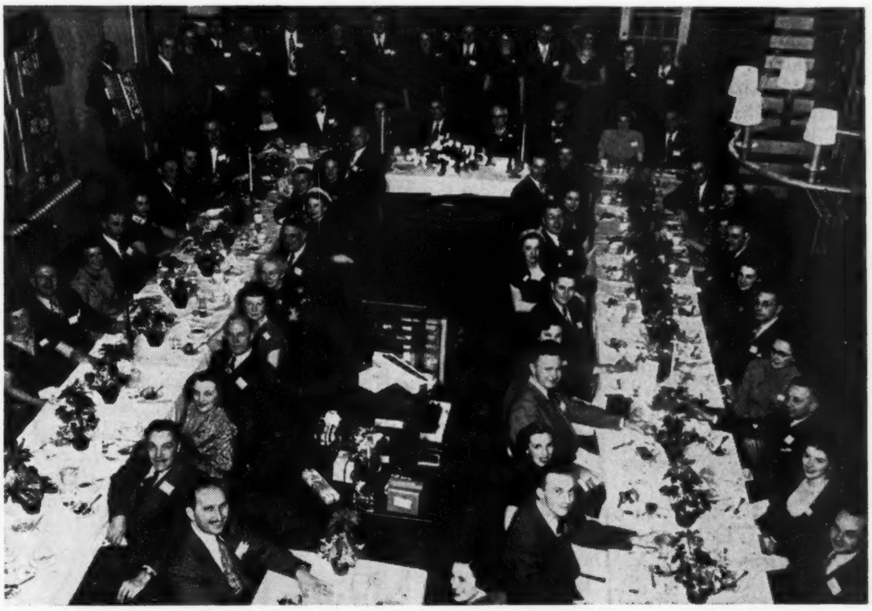
FOOTWEAR

Chairman: D. B. Campbell, Hood Rubber Co., Los Angeles, Calif.
Vice Chairmen: Frank G. Herbst, Herbst Shoe Manufacturing Co., Milwaukee, Wisc.; S. A. Kelly, Buckingham & Hecht, San Francisco, Calif.; Fred Martin, Endicott-Johnson Corp., Endicott, N. Y.

HARDWARE MANUFACTURERS

Chairman: W. Bready, Schlage Lock Co., San Francisco, Calif.

Mansfield Group Holds Annual Party



The above photograph was taken at the second annual Christmas party of the North Central Ohio Division of the National Association of Credit Men, Cleveland's young affiliate Association. The party took place at the Ashland Country Club. At the head table left to right are Mrs. Kenneth S. Thomson, Secretary Thomson of the Cleveland Association, George Cashell, and Mrs. George Cashell, Barnes Manufacturing Co., newly-elected president, Mrs. Harry Reaser, Mr. Reaser, F. E. Myers & Bros. Co., retiring president, Mrs. Robert O. Wendling and Mr. Wendling, National City Bank, Cleveland president.

Vice Chairman: Hugh Dunne, Black & Decker Mfg. Co., Towson, Md.
Committee: H. E. Anderson, L. S. Starrett & Co., Athol, Mass.; G. M. Layne, Mid States Steel & Wire Co., Crawfordsville, Ind.; E. J. Richardson, The Carborundum Co., Niagara Falls, N. Y.

HARDWARE WHOLESALERS

Chairman: R. M. Murchison, California Hardware Co., Los Angeles, Calif.
Vice Chairman: B. E. Walker, C. M. McClung & Co., Inc., Knoxville, Tenn.
Committee: Wm. J. Claussen, Hibbard, Spencer, Bartlett & Co., Evanston, Ill.; Ralph L. Hendricks, Edw. K. Tryon Co., Philadelphia, Pa.; James M. Jones, Decatur & Hopkins Co., Boston, Mass.; Conwell B. Pierson, Harper & Reynolds Co., Los Angeles, Calif.

INSURANCE

Chairman: A. L. Carr, National Surety Corp., New York, N. Y.
Vice-Chairman: David Q. Cohen, Assn. of Casualty & Surety Executives, New York, N. Y.; L. A. Fitzgerald, American Mutual Alliance, Chicago, Ill.; T. Alfred Fleming, National Board of Fire Underwriters, New York, N. Y. H. J. Lowry, Michigan Mutual Liability Co., Detroit, Mich.
Ex-officio members: Chairman, NACM Insurance Committee, Frank C. Knapp, Endicott-Johnson Corp., Endicott, N. Y. Host Association Representative, R. S. Whitmore, Bayly, Martin & Faye, Inc., Los Angeles, Calif.
Secretary: E. B. Moran, National Association of Credit, Chicago, Ill.

MEAT PACKING

Chairman: C. A. Warnacutt, Ducommun Metals and Supply Co., Los Angeles, Calif.
Vice Chairmen: Harold Ahlskog, Earle M. Jorgenson Co., Los Angeles, Calif.; R. W. Durrett, Sheffield Steel Co., Kansas City, Mo.; Gilbert Purvis, Atlantic Steel Co., Atlanta, Ga.; C. D. Rutter, Columbia Steel Co., San Francisco, Calif.; Orville B. Tearney, Inland Steel Co., Chicago, Ill.

MACHINERY & SUPPLIES

Chairman: H. C. Hauptli, U. S. Electrical Motors, Inc., Los Angeles, Calif.
Vice Chairman: E. B. Gitchell, Western Works, Lynnwood, Calif.
Committee: F. M. Baxter, Food Machinery Corp., San Jose, Calif.; I. W. Carson, Syntron Co., Homer City, Pa.; W. L. Holmes, Schlumberger Well Surveying Corp., Houston, Texas; W. H. Jamison, Bay City Iron Works, Oakland, Calif.; C. J. Laverty, Fairbanks, Morse & Co., Cleveland, Ohio; James I. Stang, Foote Bros. Gear & Machinery Co., Chicago, Ill.

IRON & STEEL

Chairman: L. E. Fishbeck, Coast Packing Co., Los Angeles, Calif.
Committee: Robert Cruse, Willits, Green & Hayes, Los Angeles, Calif.; Jack Kerns, Cudahy Packing Co., Los Angeles, Calif.; Lee Walter, Armour & Co., Los Angeles, Calif.

NON FERROUS METALS, RAW MATERIALS AND ALLIED LINES

Chairman: George B. Kay, Federated

Metals Div., American Smelting & Refining Co., Los Angeles, Calif.

Vice Chairmen: Chas. W. Devan, Federated Metals Div., American Smelting & Refining Co., San Francisco, Calif.; E. Haldey, Grant & Co., Los Angeles, Calif.; Harold R. Leeke, Herrick Co., Boston, Mass.

OIL WELL SUPPLIES

Chairman: W. A. MacMullen, Bethlehem Supply Co. of California, Los Angeles, Cal.

Committee: Harold F. Arkins, N. O. Johnston Oil Field Supply Corp., Los Angeles; Avril D. Beman, McCullough Tool Co., Los Angeles; J. P. C. Dalrymple, Oil Well Supply Co., Los Angeles; R. L. Plane, H. C. Smith Oil Tool Co., Compton, Cal.

PAINT, VARNISH, LACQUER & WALLPAPER

Chairman: H. J. Lamoureaux, Walter N. Boysen Co., Oakland, Calif.

Vice Chairmen: M. A. Dickens, Cook Paint & Varnish, St. Louis, Mo.; J. W. Heylmun, New Jersey Zinc Sales, Chicago, Ill.; G. C. Peterson, National Lead Co., San Francisco, Calif.; G. T. Thomas, Sherwin Williams Co., Chicago, Ill.

PAPER PRODUCTS AND CONVERTERS

Chairman: J. H. Allison, Container Service Co., Los Angeles, Calif.

Vice Chairmen: B. R. Colkett, Fibreboard Products, San Francisco, Calif.; Elmo Trimble, Wilson Paper Co., Los Angeles, Calif.

Committee: V. S. Ames, Kimberly-Clark Corp., Neenah, Wisc.; J. Beaner, Standard Paper Box, Los Angeles, Calif.; E. F. Stettin, Dobeckmun Co., Cleveland, Ohio.

PETROLEUM

President: A. E. Fletcher, The Standard Oil Co., Cleveland, Ohio.

Vice President: D. E. Burroughs, Shell Oil Co., New York, N. Y.

Regional Vice Presidents: Eastern—H. R. Wakefield, Sun Oil Co., Philadelphia, Pa.; Central—E. P. Simmons, Magnolia Petroleum Corp., Dallas, Texas; Western—J. A. Walker, Standard Oil Co. of Calif., San Francisco, Calif.

Program Committee:

Chairman: R. D. Roberts, Union Oil Co. of California, Los Angeles, Calif.

Committee: B. J. Delsman, General Petroleum Corp., Los Angeles, Calif.; A. A. Hock, Tide Water Associated Oil Co., San Francisco, Calif.; J. P. McLaughlin, Richfield Oil Corporation, Los Angeles, Calif.; J. A. Walker, Standard Oil Company of California, San Francisco, Calif.

PLUMBING, HEATING, AND AIR CONDITIONING

Chairman: F. H. Blakeney, Dallman Supply Co., San Francisco, Calif.

Vice Chairmen: Arthur R. Dahms, A. O. Smith Corp., Milwaukee, Wisc.; John G. dePass, The National Radiator Co., Johnstown, Pa.; E. H. Figush, Grabler Manufacturing Co., Cleveland, Ohio; Howard C. Hartman, L. J. Mueller Furnace Co., Milwaukee, Wisc.

PUBLIC UTILITIES

Chairman: John M. C. Betts, United Illuminating Co., New Haven, Conn.

Vice Chairmen: Otis Gerke, Wisconsin Power & Light Co., Madison, Wisc.; Daniel F. McAuliffe, Consolidated Edison Co. of N. Y., Inc., Brooklyn, N. Y.

District Representatives: Central District—Thomas J. Peterson, Detroit Edison Co., Detroit, Mich.; Eastern District—Richard Breed, Atlantic City Elec. Co., Atlantic City, N. J.; Southern District—Milton F. Williams, New Orleans Public Service, Inc., New Orleans, La.; Western District—Forrest U. Naylor, Pacific Gas & Elec. Co., San Francisco, Calif.

Chairman of the Planning Committee: Evan H. Davies, The Cleveland Electric Illuminating Co., Cleveland, Ohio.

TEXTILE

Chairman—George O. Jones, Callaway Mills, LaGrange, Ga.

Vice Chairman: Robert L. Stollberg, Southeastern Cottons, Inc., New York, N. Y.

WEARING APPAREL

Co-Chairmen: Edward Gasser, Commercial Factors Corp., Los Angeles, Calif.; John Wigely, Hollyvogue Ties, Los Angeles, Calif.

Vice Chairmen: Ray Fowler, Pendleton Woolen Mills, Portland, Ore.; George W. Heinke, Munsingwear, Inc., Minneapolis, Minn.; Helen Sommers, Trojan Hosiery Mills, Indianapolis, Ind.; Thomas M. Turner, Wm. Iselin & Co., Inc., New York, N. Y.

News from the CREDIT WOMEN'S GROUPS

Chattanooga: Plans for the southeastern credit women's training conference, to be held February 18 to 19 at the Read House, will have the theme "Getting things done."

Scheduled to speak during the program are Ella V. Ross, Dean of Women, East Tennessee State College, on "The south is getting things done." "Getting things done in the association" will be the topic of National President C. Callaway's talk on February 19, and Ernest Clevenger will speak on "The credit—sales managers getting things done."

A reception is planned for the first evening followed by a banquet, and a sightseeing tour will occupy the afternoon of the second day. About ninety registrants are expected.

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St. Louis: The credit women of St. Louis held their "bosses' night" meeting on January 27 at the Sheraton Hotel. A cocktail party preceded the dinner and meeting which was addressed by Helen M. Sommers, Trojan Hosiery Mills, Indianapolis. The members of the St. Louis Association of Credit Men were invited to the meeting.

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Pittsburgh: The credit women of Pittsburgh met on January 25 at the Congress of Clubs to hear a speech by Homer T. Newlon, Jr., attorney, on the collection of overdue accounts. The members of the Credit Association of Western Pennsylvania were invited to take part in the meeting.

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Minneapolis: The Minneapolis Wholesale Credit Women held their monthly dinner meeting at Stouffers, on Tuesday, January 10.

The speaker of the evening was Mrs. Frank Peavey Heffelfinger, who spoke on "Displaced Persons". Her own personal experiences were very interesting and enlightening.

Florence Armstrong of Minneapolis Honeywell Regulator Company conducted a very interesting open discussion on "NSF" checks.

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New Orleans Credit Men Re-elect All Officers

New Orleans: At the annual meeting of the New Orleans Credit Men's Association held January 10, all officers were re-elected for another term. They are J. J. Culver, Blue Plate Foods, Inc., president; T. A. Shaw, Modern Appliance and Supply Co., Inc., vice-president, and T. J. Adams, Times-Picayune Publishing Co., Councillor.

Fred L. Lozes and J. Bowling Charles were reappointed secretary-manager-treasurer and assistant manager respectively.

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E. B. Moran Speaks On Credit-Sales at Tulsa and Dallas

Tulsa: E. B. Moran, Manager, Central Division, National Association of Credit Men, addressed a joint meeting of the Tulsa Credit Managers and Sales Executives on Monday, January 9. 173 members and guests were present at the meeting, the largest number in the history of either organization.

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Dallas: "The Credit Side of Selling" was the subject of a talk by E. B. Moran before the Dallas Wholesale Credit Managers' Association January 17.

MEET THE MANAGERS

LONG service to their members is the rule rather than the exception among the executive heads of credit associations. Study shows that in a great many cases Associations needing top executives to handle the Association operations have turned either to men who have served for extended periods under their predecessors or, when such a man was not available, to one of their own members who is fully-familiar with the workings of a Credit Association. In very few cases are "foreigners" imported. Moreover, secretaries tend to stay on the job, it seems, which is probably one of the best things for Association stability that could happen.

This month we present three secretaries who can look back on long years of experience in Association work.

C. P. KING, Secretary-Manager of the Seattle Association, has occupied that position for almost twenty years. After graduating from the University of Washington in 1910 with an L.L.B. degree he taught school and coached athletics for a year and went to work in the credit department of the Seattle Hardware in 1912. He started as a collector and later was appointed credit manager. After sixteen years with that company he resigned to accept the position of credit manager of A. M. Castle & Co., where he remained until October 14, 1930, the date of his appointment as Secretary-Treasurer and Manager of the Seattle Association.

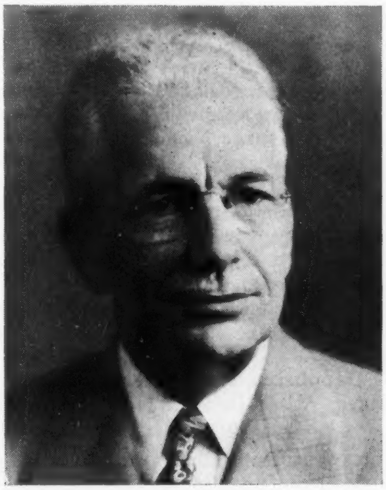
C. P. King

Both as a member and an official of the Association Mr. King can boast many years of service. As a member he has been a trustee of the Association and its subsidiary, the Association Collectors, Inc. He was President in 1921-22, vice-chairman of the convention committee which organized the Seattle Convention in 1928, and a National Director from 1926 to 1928. He also served a term as member of the Interchange Board of Governors.

He is now chairman of the Secretarial Council.

L. E. PHELAN, Detroit Secretary-Manager, has had a similar career. He joined the St. Louis Association in 1912, representing the Phelan-Faust Paint Manufacturing Co., and served as director from 1917 to 1918. In 1919 he moved to Detroit and joined the Detroit Association as treasurer of the Smith-Morgan Company. He served a term as director from 1920 to 1921 and in November of that year was employed by the Association to develop service facilities and assist the Secretary-Manager generally.

In 1922 he started the adjustment bureau by rehabilitating three of his former customers in the paint business. He started the trade group department in 1925 and was elected secretary-manager in 1937.

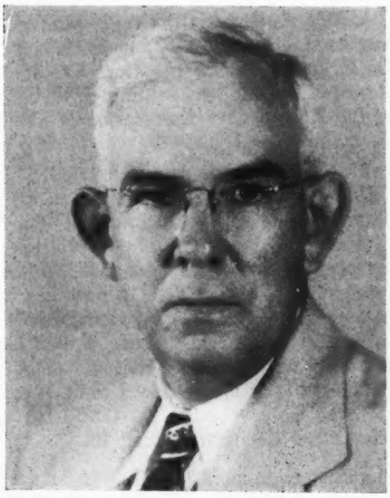


L. E. Phelan

Mr. Phelan has appeared before a number of national trade association conventions in behalf of better credit practices and has attended twenty-five credit congresses. He is a charter member of the National Business and Educational Council, the Detroit Rotary Club, the Economic Club of Detroit, the Detroit Paint, Lacquer and Varnish Association, American Trade Association Executives and the Commercial Secretaries' Association.

CONTINUING the swing towards the South we next introduce W. C. Darby, Secretary-Manager of the Alabama Association with headquarters at Birmingham. Mr. Darby is another oldtimer, having been with the Association since 1920. He started as a messenger immediately after his discharge from the U. S. Navy, and served successively as assistant Interchange manager, Interchange manager, office manager and secretary-manager, the last for the past fifteen years.

He organized the Allied Industries Credit Executives in 1931 with eight members. The group now boasts 68 members and meets weekly. Other groups have been added in subsequent years. When Mr. Darby took over the management of the Association the membership was exactly 70, a figure which has now been increased to 230.



W. C. Darby

Ever since his early days in the Interchange department he has been strong for the best possible Interchange service. His bureau is one of the best in the South and one of the best in the system. Finally, his hobbies? Fishing and dahlia raising.

Jack Schofield Elected Assistant Manager and Secretary at St. Louis

St. Louis: Jack Schofield has been appointed assistant secretary and assistant manager of the St. Louis Association of Credit Men. Official announcement of the appointment was made January 3. Mr. Schofield has been associated with the St. Louis Association in membership work.

Seattle to be Host to Northwest Credit Men

Seattle: The Seattle Association of Credit Men is perfecting plans for the 29th Northwest conference of credit men to which the Association will be host March 23 and 24.

The program will open at 9:30 a.m. Thursday, March 23. The day will be devoted to group sessions with a luncheon for delegates and guests at midday and entertainment and dancing in the evening. The program for March 24 calls for talks on credit problems in the morning, a stag luncheon, a credit women's luncheon and a luncheon for guests, more talks in the afternoon and a banquet in the evening.

Confidentially Speaking

H. D. Rathbun, formerly Secretary and Assistant Treasurer, John A. Roebling's Sons Company, Trenton, N. J., has been elected Secretary-Treasurer, and **C. W. Snyder,** has been appointed Assistant Secretary . . . **E. B. Westlake** is now Credit Manager at Crystalx Corporation, Lenni Mills, Pa. . . . **Miss Margaret Rogers** succeeds Miss Boddy as Credit Manager at Edmunds & Co., Inc., Denver, Colo. . . . **V. H. Minnotte** is now Secretary-Treasurer of Minweld Steel Co., Pittsburgh, Pa. . . . **S. Shuman** is the new General Credit Manager at Richmond Radiator Co., Uniontown, Pa. . . . **Lee Miller** succeeds H. R. Crowe, resigned, as Credit Manager at R. C. A. Victor Distributing Co., Kansas City, Mo. . . . **Charles S. Hanson** has resigned as Credit Manager at Abbott Laboratories, Kansas City, Mo., to enter business for himself. He is succeeded by **Karl Schneider** . . . **Wendell Smith,** Credit Manager, Rapids Standard Co., Grand Rapids, Mich., has been elected Assistant Secretary & Assistant Treasurer of his company . . . **L. E. Halliday** is the new Credit Manager at Colgate-Palmolive-Peet Company, Kansas City, Mo., succeeding G. E. Gilman, former Credit Manager and Past President of the Kansas City Association of Credit Men, who has been promoted to other duties.

H. A. Klabunde has succeeded S. L. Stiles as Credit Manager at Morley-Murphy Co., Milwaukee, Wis. . . . **Vernon C. Hoffman,** Secretary & Credit Manager, Queen City Forging Co., Cincinnati, Ohio, has been elected President of the Cincinnati Chapter of the National Association of Cost Accountants . . . **Don J. Golden** replaces Mrs. Gibson, resigned, as Credit Manager at Paint Stores, Inc., Detroit, Mich. . . . **Joseph G. Dolney** has succeeded Theo. Doeks as Secretary & Credit Manager at The Haserat Company, Cleveland . . . **A. H. Anderson** is now Credit Manager at American Lace Paper Co., Milwaukee, Wis. . . . **Mr. Frank Priest** has been advanced to Treasurer of Allied Battery Co., Dallas, Texas . . . **Malcolm B. Nicholson** is the new Credit Manager at Empire Gas & Electric Equipment Co., Denver, Colo. . . . **J. A. Goodson** was recently appointed Secretary-Treasurer of Placid Oil Co., Shreveport, La.

LOS ANGELES CHANGES—New representatives in Association membership include: **J. W. Kreuzer,** General Supervisor of Accounts Receivable, Douglas Aircraft Company, Inc. . . . **Harvey L. Cox,** Credit Manager, Caine Steel Co. of Calif. . . . **Perry C. Peckham,** Credit Manager, Marwais Steel Company . . . **A. R. Saltzer,** Vice-President, Progressive Wholesale Liquor Company . . . **Miss Joanne Ohlschlager,** Credit Manager, Blackwell & Sunde, Inc. . . . **V. E. Bradford,** Credit Manager, The Ralph M. Parsons Company . . . **Grover Gibson,** Credit Manager, Window Shade Products Company . . . **Dick Cline,** Credit Manager, Air Parts, Inc. . . . **Miss Betty A. Gould,** Credit Manager, Ironers, Inc. . . . **Fred Nemoede,** Credit Manager, Downey Fertilizer Company . . . **Miss Mildred Thomas,** Credit Manager, Pacific Bearings, Inc. . . . **Miss Dorothy Bankhead,** Credit Manager, Newmarket Company . . . **H. P. Houston,** Creidt Manager, Fawcett Publications, Inc. . . . **L. W. Dauphrine,** Credit Manager, Square D Company . . . **Edwin Parsons,** Credit Manager, Wesco Paper & Housewares Co.

Mr. George E. Elms, Jr., Central Trust Co., Cincinnati, Ohio, has been elected President of The Cincinnati Chapter of The American Institute of Banking . . . **C. J. Wolford** succeeds Earl May, deceased, in charge of Credits at Earl E. May Seed Co., Shenandoah, Iowa . . . **Ray Kraus** is now Credit Manager at C. J. Reinecke Lumber Co., St. Louis, Mo. . . . **Roy Jarrard** replaces G. L. Hitt in charge of Credits and Collections at Missouri Power & Light Co., Jefferson City, Mo. . . . **Harold E. Davis** succeeds Wilbur Finley as Credit Manager at The Buckeye Aluminum Co., Wooster, Ohio . . . **George H. Deuble, Jr.** is now Credit Manager at The Climalene Company, Canton, Ohio . . . **G. A. Daniels** is now Secretary & Treasurer of The Hydraulic Press Mfg. Co., Mount Gilead, Ohio . . . **W. C. Havelaar** has been elected Vice-President of the Chicago Paper Co., Chicago, Ill. . . . **John M. Bartlett** has been named Assistant Vice President of Brunswick-Balke-Collender Company, Chicago, Ill. . . . **Gordon Edwards** has been appointed Assistant Treasurer of Kraft Foods Company, Chicago, Ill. He has been Comptroller of The Western District of National Dairy Products Corp. . . . **Vincent Balkam** is now Credit Manager at Michigan Distributors, Inc., Grand Rapids, Mich. . . . **G. A. Sandberg** is now Secretary at Phillippi-Murphy Equipment Co., Minneapolis, Minn.

Mr. Walter M. Reynolds has been elected Secretary and **R. P. Johnson,** Vice President, also assumed the position of Treasurer at Morse Chain Div. of Borg-Warner Corp., Detroit . . . **F. W. Burnham** has been elected Second Vice-President and Assistant Manager of the Credit Department of the Northern Trust Company, Chicago, coming from Boston where he was Vice-President of the Second National Bank . . . **Arthur C. Mills** succeeds Robt. Eils, retired, as Credit Manager at Rand McNally & Co., Chicago . . . **J. E. Weaver** is now Credit Manager at Miller Metal Products Co., Baltimore, Md. . . . **Mark C. Leistickow** succeeds H. S. Strouse as Credit Manager at Harnischfeger Corp., Milwaukee, Wis.

—E.B.M.

WITH REGRET

We regretfully announce the passing of these members of the Association:

John H. Walker, Secretary-Treasurer, Reed Candy Co., Chicago, Ill., Chairman, Confectioners' Credit Group of the Chicago Association . . . **D. B. Cornett,** President, Cornett-Lewis Coal Co., Louisville, Ky. . . . **Albert W. Bissell,** Secretary-Treasurer, Neff, Kohlbusch & Bissell, Inc., Chicago, Ill. . . . **J. M. Kucera,** Treasurer, The Ball Company, Chicago, Ill. . . . **Willis R. Beardsley,** retired, Past President (1929-1930) of the St. Paul, Minn., Association of Credit Men . . . **Carl Swanson,** owner, C. A. Swanson & Sons Produce Co., Omaha, Nebr. . . . **Wm. E. Hakenholz,** Credit Manager, Union Petroleum Co., Council Bluffs, Iowa . . . **Bernard H. Wurtmann,** Credit Manager, National Lead Co., New York, N. Y., former Director of N. Y. Credit Men's Association . . . **John J. Woods,** Credit Manager, American Aniline Products, Inc., New York, N. Y. . . . **T. A. Falconnier,** Secretary, Knox Concrete Products, Inc., Knoxville, Tenn. . . . **Earl D. Weiland,** Credit Manager, Estate Stove Co., Hamilton, Ohio . . . **Miss Cathryn Sullivan,** Credit Manager, Morrison Hotel, Chicago, Ill. . . . **Wm. F. Sherrill,** Assistant Secretary, Nutrine Candy Company, Chicago, Ill. . . . **J. W. Thomas,** Office Manager, Acme Printing & Stationery Co., Pittsburgh, Pa., formerly Manager, Credit Groups Dept. of the Credit Association in Pittsburgh . . . **George Pablonis,** Mueller-Selby Co., Omaha, Nebr. . . . **C. A. Andrews,** Credit Manager, Gould Pumps, Inc., Seneca Falls, N. Y.

Also **Harry I. Ziemer,** Vice-President, Federal Reserve Bank, Minneapolis, Minn. . . . **John A. Taylor,** owner, John Taylor & Sons, Rochester, N. Y. . . . **E. Lee Rieker,** Treasurer, La Rue Printing Co., Kansas City, Mo. . . . **John F. Lane,** Secretary-Treasurer, Pullman, Inc., Chicago, Ill. . . . **Edward F. Bessey,** President, Oak Manufacturing Co., Chicago and Crystal Lake, Ill. . . . **Howard W. Sommerwerck,** Vice-President, Cowan-Boze Company, Atlanta, Ga. . . . **Leo Bernstein,** Vice-President, Philip Blum Company, Chicago, Ill. . . . **Earl Chambers,** retired Credit Manager, O'Dea Hardware & Paint Co., Des Moines, Iowa . . . **A. Zeman,** Credit Manager, Miller & Hart, Inc., Chicago.

—E. B. M.

Thibault Is President Of Paint Credit Men

New York: H. W. Thibault, credit manager and assistant treasurer of the Federal Paint Co., Inc., was elected president of the Paint & Allied Industries Credit Association at the annual inaugural party January 17.

Others officers elected during the meeting were Theodore H. Kleine, Hilo Varnish Corp., 1st vice-president; A. C. Beach, Sherwin-Williams Co., 2nd vice-president and William Rohs, Colonial Works, Inc., treasurer.

Eleven Business Groups Join In L.A. Conference

Los Angeles: Eleven business organizations in the Los Angeles district joined forces January 17 for the second annual business outlook conference. The conference, organized by the research committee of the Los Angeles Chamber of Commerce, was addressed by outstanding speakers representing many shades of business opinion.

The first scheduled speaker was executive manager Henry H. Heimann, who spoke on the credit outlook for 1950. "How much taxation can we stand?" was the subject of the next talk which was given by James Mussatti, general manager of the California State Chamber of Commerce. The morning session ended with a discussion of tax trends and their implications by Lucien Shaw of the law firm of Morrow and Trippet. Dr. Edwin G. Nourse, former chairman of the President's council of economic advisers spoke during luncheon.

The afternoon session was devoted to a panel on local business trends and outlook. The day came to an end with a dinner at which the speaker was Arthur H. Motley, president of Parade Publications, Inc.

Sponsoring groups, besides the Chamber of Commerce, included the Los Angeles Credit Managers' Association.

Pittsburgh Secretary Reports Wage Ruling

Pittsburgh: D. R. Meredith, executive manager of the Credit Association of Western Pennsylvania, reports that at a meeting of the Pittsburgh Chamber of Commerce at which he was present, a message was read from the National Administrator of the Wage and Hour Law, which stated that payment of $65 semimonthly or $130 monthly would be considered in compliance with the minimum wage of 75¢ an hour for a 40 hour week. The ruling had been sought as a result of many inquiries from the membership.

Famous Author Addresses Cincinnati Association

Cincinnati: Louis Bromfield, celebrated author and farmer, addressed the Cincinnati Association of Credit Men at the Gibson Hotel, January 26. His subject was "What a good independent agriculture means to our economy."

St. Louis: "All that glitters is not gold" was the theme of the January forum meeting of the St. Louis Association of Credit Men held January 12. The principal speaker was James C. Brown, St. Louis manager of the Employers Mutual Liability Insurance Company of Wausau, Wis.

Chicago: "What of the Hoover Report?" particularly as affecting credit was discussed by Dr. Alexander Baird, author, economist and radio commentator at the monthly meeting of the Chicago Association of Credit Men Wednesday evening, January 11. Dr. Baird pointed out that it is highly important to all credit executives to do their part in keeping this subject alive and if necessary to demand that proper attention be given to it. He declared that in view of the enormous amount of Federal money involved in the recommendations of government administratives the Hoover report is of the highest economic importance.

St. Joseph Association Elects Woman President

St. Joseph, Mo.: At the annual dinner meeting of the St. Joseph Association of Credit Men on January 10 the members elected Miss Edna Dawson, Dannen Mills, Inc., president. Miss Dawson is the second woman to head the Association, Mrs. Ida Reed, Douglas Candy Company, having held the office. Other officers elected are Raymond A. Schrank, Empire Trust Co., vice-president; Vernon R. Demarest, American Electric Co., secretary, and Vern P. Meyer, First National Bank, treasurer.

At the same meeting two women were elected to the board of directors. They are Miss Margaret Tushaus, Western Grocery Co., and Miss Minerva Moore, Motor Parts and Equipment Co. The new men directors are Robert G. Clayton, Sheridan-Clayton Paper Co., and Barney Phillips, Beatrice Foods Co.

Atomic Energy Is Subject Of Bridgeport Discussion

Bridgeport: The very timely subject of atomic energy came up for discussion at the January meeting of the Bridgeport Association of Credit Men when Sumner T. Pike, a member of the Atomic Energy Commission, spoke on "What atomic energy means for the citizen."

The speaker was formerly a member of the Securities and Exchange Commission and was adviser to the Temporary National Economic Committee.

Positions Wanted

Treasurer of Division of large corporation seeking greater opportunity in top management field. Experienced in finance, administration, purchasing greater opportunity in top management field. relations, budgeting and expense control, and engineering (industrial, mechanical, electrical). College Graduate. Licensed Prof. Eng. N. Y. State. 40 years of age. Box F-1, Credit and Financial Management.

CREDIT ASSISTANT—College graduate, 24, B. S. degree in Finance, seeks the bottom rung on the ladder to success in your company. Personable, alert, with training in Credits and Collections, Economics, Investments and Investment Analysis, Corporate Finance and Management. Some experience as credit assistant. What have you? Box F-2, Credit and Financial Management.

Heimann and Hall Share Spotlight at New York Banquet

New York: Two headliners were featured at the 55th annual meeting and banquet of the New York Credit Men's Association at the Hotel Astor on Thursday, February 9.

Henry H. Heimann, executive manager of the National Association of Credit Men, spoke on business in a political economy. He was followed by the Rev. Laurence H. Hall, Rector of All Saints' Church, Portsmouth, Ohio, whose subject was "Pass a laugh along." Mr. Hall and Mr. Heimann, it will be recalled, were the opening speakers at the 53rd annual credit congress in Atlantic City.

Youngstown Hears Talk By Insurance Expert on Business Interruption

Youngstown: Roy E. Linville, president of Benjamin L. Agler & Co., Inc., was the guest speaker at the January 12 meeting of the Youngstown Association of Credit Men. He spoke on co-insurance and business interruption. Mr. Linville, who has had forty-one years of experience in insurance, handles the fire insurance arrangements of many large concerns in the Mahoning valley.

Cleveland Association Will Move in Spring

Cleveland: The Cleveland Association is planning to move during the Spring from its present quarters in the Leader Building to Suite 319, the Arcade, 420 Superior Street. The Arcade, which runs from Euclid Avenue through to Superior Street, has the advantage of a meeting room on the top floor which is available to tenants.

Local School Tax Is Explained by Expert

Philadelphia: The members of the Credit Men's Association of Eastern Pennsylvania heard a talk on January 26 on the subject of Philadelphia's one mill gross receipts tax for public school purposes. The speaker was Edward B. Soken, assistant secretary of the Board of Education and an outstanding authority on taxes.

Omaha: The trend in government spending and taxation and the Hoover Commission report came up for an airing at the January meeting of the Omaha Association on January 19. The evening's speaker was Robert M. Armstrong, president of the Association of Omaha Taxpayers, Inc.

CREDIT ASSOCIATIONS

Affiliated with NACM

ALABAMA

† **Birmingham.** Alabama Association of Credit Men. W. C. Darby, Secy.-Mgr. 1736 1st Avenue. (3).

ARIZONA

† **Phoenix.** Wholesalers' Credit Association of Arizona. Frank C. Hill, Secy. P.O. Box 3515.

ARKANSAS

† **Little Rock.** Little Rock Association of Credit Men. Mrs. Katherine Mosenthin, Secy. 219 Pyramid Bldg., 221 W. 2nd St. 5-6451,2.

CALIFORNIA

Fresno. Fresno Chapter, Credit Managers Association of Northern and Central California. Edwin W. Stroope, Secy. 310 Mason Bldg. 1044 Fulton St. (1).

*#† **Los Angeles.** Los Angeles Credit Managers' Association. A. D. Johnson, Secy. 1501-09 W. 8th St. (14) Dunkirk 2-5451.

*# **Oakland.** Wholesalers Credit Association of Oakland. Kenneth C. Bugbee, Secy. 361 17th St. (12). Glencourt 1-7581.

Sacramento. Sacramento Chapter, Credit Managers Association of Northern and Central California. Earle W. Fouts, Secy. 618 Eye St. (14). 3-7428.

*#† **San Diego.** San Diego Wholesale Credit Men's Assn. L. Holzman, Secy.-Mgr.-Treas. 514 B St. 508 Orpheum Bldg. (1). Franklin 9-8191.

*#† **San Francisco.** Credit Managers Association of Northern and Central Calif. O. H. Walker, Secy.-Mgr. 717 Market St. (3). Sutter 1-3960.

Stockton. Stockton Chapter, Credit Managers Association of Northern and Central Calif. J. D. Campbell, Secy.-Mgr. P. O. Box 1048. 9-9081.

COLORADO

*#† **Denver.** Rocky Mountain Association of Credit Men. J. B. McKelvy, Secy.-Mgr. 1074 Bannock St. (4). Tabor 1371.

CONNECTICUT

Bridgeport. Bridgeport Association of Credit Men. Morton A. Gillette, Secy. c/o George E. Nothnagle & Sons, Inc. 1087 Broad St. (3). 5-1193.

Hartford. Hartford Association of Credit Men. E. J. Westelinck, Secy. P. O. Box 13, Southington, Conn. 274

New Haven. New Haven Association of Credit Men, Inc. J. P. Markham, Secy. c/o Connecticut Coke Co., Stiles St.

LEGEND

These are the Associations which together make up the National Association of Credit Men. They are listed by State and City. Each listing contains the official name of the Association, the name and title of the senior staff member, the office address, zone number if any, and telephone number. Symbols preceding city names indicate that the Association has

† Interchange bureau
*** approved Adjustment bureau**
 # approved Collection bureau

Waterbury. Waterbury Association of Credit Men. Maurice F. Fitzgerald, Secy. c/o Chase Brass & Copper Co. 239 Grand Avenue.

DISTRICT OF COLUMBIA

Washington. Washington Association of Credit Men. J. H. Geiger, Secy.-Treas. 815 15th St. N. W. (5). District 4346.

FLORIDA

*#† **Jacksonville.** Jacksonville Association of Credit Men, Inc. A. H. Dunlop, Secy.-Mgr. 400-404 Law Exchange Bldg. P. O. Box 1503. 5-5215.

† **Miami.** Miami Association of Credit Mgt. V. L. Wright, Secy.-Mgr. P. O. Box 1488.

*#† **Tampa.** Tampa Association of Credit Men. Duval M. Smith, Secy. P. O. Box 2128, Tampa 1. M-2581.

GEORGIA

*#† **Atlanta.** Georgia Association of Credit Men. Mrs. Carmen A. Dobbs, Secy. 508-512 Whitehead Bldg. (3). Walnut 8325.

IDAHO

Lewiston. Lewiston Wholesale Credit Assn. Frank Drong, Secy.-Treas. 307 Breier Bldg. 440.

ILLINOIS

*#† **Chicago.** Chicago Association of Credit Men. James S. Cox, Exec. Mgr. Rm. 456, Opera Bldg., 20 N. Wacker Drive (6). Andover 3-5080.

† **Peoria.** Peoria Association of Wholesale Credit Men. Miss E. M. Dunn, Secy.-Mgr. 309 S. Jefferson St. 3-9285, 3-6534.

Quincy. Quincy Association of Credit Men. W. V. Petry, Secy. c/o Tenk Hardware Co. Box 451. Phone 60.

Springfield. Springfield Association of Credit Men. Miss Eda Mueller, Secy. c/o Geo. A. Mueller Co. 5757.

INDIANA

Evansville. Evansville Association of Credit Men. Victor Ahrens, Secy. 415 Hulman Bldg. (18). 4-8928, 5-2285.

Fort Wayne. Fort Wayne Association of Credit Men. Mrs. E. Nord, Secy. 312 Transfer Bldg. (2). Anthony 5485,6.

*#† **Indianapolis.** Indianapolis Association of Credit Men. Merritt Fields, Exec. Mgr. Peoples Bank Bldg. (9). Market 4444.

*# **South Bend.** NACM, St. Joseph Valley Chapter. Wesley C. Bender, Secy. 413 Whitcomb-Keller Bldg. (2). 4-1138.

Terre Haute. Terre Haute Association of Credit Men. Miss Wanita Gilchrist, Secy. c/o Mid-Continent Petroleum Co. P. O. Box 298. C-2341.

IOWA

Burlington. Burlington Association of Credit Men. Jesse L. Thomas, Secy.-Treas. 614-16 Farmers and Merchants Bank Bldg. 188.

Cedar Rapids. Cedar Rapids Association of Credit Men. Milo O. Hanzlik, Secy. 705 Higley Bldg. 3-3608.

Davenport. NACM, Quad-city area. 419 E. 30th St. Allyn Wiese, Secy.-Treas. 2-3202.

*#† **Des Moines.** NACM, Central Iowa Unit. Don E. Neiman, Secy.-Treas. 700 Walnut Bldg. (7.). 4-5284.

*#† **Sioux City.** NACM, Interstate Div. Harold E. Dye, Secy. P. O. Box 1260. 5-5655.

Waterloo. Waterloo Association of Credit Men. Craig H. Mosier, Secy. 507 Commercial Bldg. 4609.

KANSAS

*#† **Wichita.** Wichita Association of Credit Men. M. E. Garrison, Secy.-Treas. 502-6 Bitting Bldg. (2). Long distance 274, local 3-1257.

KENTUCKY

Lexington. Lexington Credit Men's Association. George C. Roberts, Sr., Secy.-Mgr. 401 Bank of Commerce Bldg. 31 53 & 54.

*#† **Louisville.** Louisville Credit Men's Association. S. J. Schneider, Secy. 320 W. Main St. (2). Clay 4471.

LOUISIANA

*#† **New Orleans.** New Orleans Credit Men's Association. F. L. Lozes, Secy.-Treas. 1007 Queen & Crescent Bldg., Camp St. and Natchez Pl. (12). Magnolia 1701.

Shreveport. Shreveport Wholesale Credit Men's Association. John A. B. Smith, Secy.-Treas. 212 Ardis Bldg. P. O. Box 371 (84). 6253.

MARYLAND

*#† **Baltimore.** Baltimore Association of Credit Men. George J. Lochner, Secy.-Mgr. 403-404, 5 South St. (2). Plaza 6708.

MASSACHUSETTS

*#† **Boston.** Boston Credit Men's Association. Henry J. Lamb, Exec. Mgr. Rm. 1013, 294 Washington St. (11). Liberty 2-2131.

Springfield. Western Mass. Association of Credit Men. Robert Hutton, Secy. 5-6 Court House Place. 7-3581.

Worcester. Worcester County Association of Credit Men. Mrs. L. L. Kupchik, Secy. 311 Main St. 2-8404.

MICHIGAN

*† **Detroit.** Detroit Association of Credit Men. L. E. Phelan, Secy. 2111 Woodward Ave. (1). Woodward 2-5390.

*#† **Grand Rapids.** Grand Rapids Association of Credit Men. Edward De Groot, Secy. 5-7 Lyon St. (2). 9-3371.

Jackson. Jackson Association of Credit Men. Leon H. Aubry, Secy. 2701 Glendale Rd. 8226.

Kalamazoo. Credit Association of Southwestern Michigan. Roy T. Kieft, Secy. c/o A. M. Todd Co. P. O. Box 711 (99). 3-2603.

Lansing. Lansing Association of Credit Men. Charles R. Wooton, Secy. P. O. Box 1138. 2-1207.

Muskegon. Muskegon Association of Credit Men. Mrs. Mary Long, Secy.-Treas. American Coil Spring Co.

Saginaw, Northeastern Michigan Association of Credit Men. F. M. Carle, Secy. 2917 Congress St. 2-6236.

MINNESOTA

Duluth. Duluth-Superio District Credit Association. E. G. Robie, Secy.-Treas. 700 Christie Bldg. (2). Melrose 1791,2.

*#† **Minneapolis.** Minneapolis Association of Credit Men. Brace Bennitt, Secy. 502 Thorpe Bldg. (2). Geneva 8356.

St. Paul. St. Paul Association of Credit Men. T. E. Reynolds, Secy.-Treas. 356 Cedar St. (1). Cedar 7568.

MISSOURI

Cape Girardeau. Cape Girardeau Chapter, St. Louis ACM. P. J. Spitzmiller, Secy. Missourian Printing & Stationery Co. 400.

New Orleans' Official Family Portrait

Here are the new officers and directors of the New Orleans Association of Credit Men who were installed January 26. Standing, left to right: Frank S. Bonansinga, James G. Gibbons, Charles N. Wursteisen, Cliff P. Guibet, Monroe W. Hatch, P. S. Kernion, Earl C. Blake, W. H. Kirchbert, George Bywater and T. G. Nicholson. Seated, left to right: Fred L. Lozes, secretary-manager-treasurer, Mrs. Blanche Wright, J. J. Culver, president, T. A. Shaw, vice-president and Earl W. Warrick.

Hannibal. Hannibal Chapter, St. Louis ACM. T. V. Hilt, Secy. c/o Wendt-Souis Co. 10 Collier St.

Jefferson City. Central Mo. Chapter, St. Louis ACM. Fred Rost, Secy. c/o Central Mo. Trust Co. 55.

Joplin. NACM, Joplin Unit. Mrs. Kathrin Scott, Secy. 2612 Windsor. 4561.

*#† **Kansas City.** Kansas City Association of Credit Men. J. N. Ham, Secy. 1110 Grand Ave. (6). Baltimore 0660.

St. Joseph. St. Joseph Association of Credit Men. J. D. Hawman, Secy. c/o A. J. August Clothing Co. 321 Felix St.

*#† **St. Louis.** St. Louis Association of Credit Men. A. E. Fisher, Secy.-Treas. 505 No. 7th St. (1). Chestnut 6172.

Springfield. NACM, Springfield Unit. Mrs. Blanche Boswell, Secy. Rt. 5, Box 56. 3-8803-J.

MONTANA

*# **Billings.** Montana-Wyoming Association of Credit Men. W. E. Margraves, Secy.-Mgr. P. O. Box 1395. 4148.

NEBRASKA

Lincoln. Lincoln Association of Credit Men. Mrs. Lois Young, Secy.-Treas. c/o Pegler & Co. 247 No. 10th St. (1).

*#† **Omaha.** Omaha Association of Credit Men. E. H. Kurtz, Exec. Mgr. Sutherland Bldg. 15th & Harney Sts. (2). Jackson 2480.

NEW JERSEY

* **Newark.** New Jersey Association of Credit Executives. W. H. Whitney, Exec. Mgr. Rm. 800, 11 Hill St. (2). Market 2-7242.

NEW MEXICO

*#† **Albuquerque.** Tri-State Association of Credit Men. H. V. Vance, Mgr. 242 Korber Bldg. 6709.

Santa Fe. Tri-State Association of Credit Men. Mrs. Virginia H. Stauffer, Secy. c/o Mutual Bldg. & Loan Co. 1626.

NEW YORK

Albany. Eastern New York Association of Credit Executives. J. Nelson Hewig, Secy. P. O. Box 725 (1). 5-3373

Binghamton. Triple cities Association of Credit Men. Mrs. Lucile Mielke, Secy. Mielke ABC Service Co. P. O. Box 1033. 4-1955.

† **Buffalo.** Credit Men's Association of Western N. Y. Ira D. Johnson. Secy. 50 Court St. (2). Washington 7018.

Elmira. N. Y.-Penna. Credit Association. H. C. Ropp, Secy. c/o Credt Bureau of Elmira, Inc. Mercsants Bank Building. 5248.

* **New York.** New York Credit Men's Association. Mortimer J. Davis, Exec. Mgr. 71 W. 23rd St. (10). Watkins 4-0100.

*#† **Rochester.** Rochester Association of Credit Men. Charles J. Briggs, Secy. Mgr. 39 Exchange St. (4). Main 1560.

*# **Syracuse.** Syracuse Association of Credit Men. Newton D. Bartle, Secy. 107 University Bldg. (2). 3-3161.

Utica. Utica Association of Credit Men. Joseph W. Kyser, Secy. c/o Credit Bureau of Utica, Inc. 8 Elizabeth St. 4-7166.

NORTH CAROLINA

Charlotte. Piedmont Association of Credit Men. S. E. Callahan, Secy. c/o Westinghouse Electric Supply Co. P. O. Box 1030.

NORTH DAKOTA

Fargo. Fargo-Moorhead Association of Credit Men. Arthur A. Berg, Secy. c/o Myrha Equipment Co. P. O. Box 1674.

Grand Forks. Grand Forks Association of Credit Men. Willard J. Brintnell, Secy. Holt Printing Co. 211 S. 4th St.

OHIO

Akron. Akron Association of Credit Men. Wm. B. Poe, Secy. Ferriot Bros. Inc. 2685 Magadore Rd.

Canton. Canton Association of Credit Men. Julius F. Miller, Secy. c/o Paper Products Corp. (1). 5-0317.

*#† **Cincinnati.** Cincinnati Association of

Credit Men. H. W. Voss, Secy. 722-5 Temple Bar Bldg. (2). Cherry 3841.

*#† **Cleveland.** Cleveland Association of Credit Men. K. S. Thomson, Exec. Secy. 410 Leader Bldg. (14). Main 3471.

Columbus. Columbus Credit Association. A. M. Sutherland, Secy. c/o Mills Mutuals, 22 #. Gay St. (15). Adams 8233.

*# **Dayton.** Dayton Association of Credit Men. C. L. Fryman, Secy. 410 W. 1st St. (2). Fulton 6124.

Mansfield. NACM, North Central Ohio Div. Inc. E. J. Osborne, Secy.-Treas. c/o Westinghouse Electric Corp. 246 E. 4th St.

#† **Toledo.** Toledo Association of Credit Men. G. E. Lawrence, Secy.-Mgr. 246 Spitzer Bldg. (4). Main 7293.

Youngstown. Youngstown Association of Credit Men. Carl M. Wolter, Secy. Rm. 203, Schween-Wagner Bldg. (3). 6-1828.

OKLAHOMA

*#† **Oklahoma City.** Oklahoma Wholesale Credit Men's Association. J. M. Cole, Secy.-Mgr. 607 Tradesmen's National Bank Bldg. 3-1343.

Tulsa. Tulsa Wholesale Credit Managers' Association. R. J. Christian, Mgr. 302 S. Cheyenne Ave. (3).

OREGON

*#† **Portland.** Portland Association of Credit Men E. W. Johnson, Exec. V.-P. and Gen. Mgr. Allan C. Hopkins, Secy. 337 Pittock Block (5). Broadway 0541.

PENNSYLVANIA

*# **Allentown.** Lehigh Valley-Berks Credit Association, Inc. J. H. J. Reinhard, Secy.-Mgr. 402 Hunsicker Bldg. 9879.

Erie. Credit Managers' Association of Erie. Philip Kuntz, Secy. c/o Erie Window Glass Co. 13th and State Sts. 22-263.

Johnstown. Credit Association of Western Pa. Miss Eva McCaffrey, Mgr. 634 Swank Bldg.

Philadelphia. Credit Men's Association of Eastern Pa. J. Stanley Thomas, Secy. 703 Bailey Bldg. 1218 Chestnut St. (7). Pennypacker 5-4811.

*#† **Pittsburgh.** Credit Association of Western Pa. D. R. Meredith, Exec. Mgr. 701 Commonwealth Annex (22). Atlantic 6822.

RHODE ISLAND

*# **Providence.** Rhode Island Association of Credit Men. H. T. Farrell, Exec. Secy. 87 Weybosset St. (3) Gaspee 9132, 3.

SOUTH DAKOTA

Sioux Falls. Sioux Falls Association of Credit Men. W. Chapelle, Secy. Power City Radio Co. 209 S. 1st Ave.

TENNESSEE

*#† **Chattanooga.** National Association of Credit Management, Inc., Cherokee Unit. G. Royal Neese, Secy. 1124 Hamilton National Bank Bldg. (2). 6-2428, 6-3033.

† **Knoxville.** Knoxville Association of Credit Men. W. A. DeGroat, Secy.-Mgr. 203 Fidelity-Bankers Trust Bldg. P. O. Box 2188 (1). 3-2133.

*#† **Memphis.** Memphis Association of Credit Men, J. H. Bryan, Secy.-Mgr. 802 McCall Bldg. (1). 8-2155.

Nashville. Nashville Credit Men's Association. James J. McCormick, Secy. Nashville Trust Bldg. (3).

TEXAS

*#† **Amarillo.** Tri-State Association of Credit Men. Scott B. Ormsby, Secy. P. O. Box 1820. 9816,7.

Austin. Austin Wholesale Credit Men's Association. H. C. Barnhart, Secy.-Mgr. P. O. Box 1016. 2-7271.

*#† **Dallas.** Dallas Wholesale Credit Managers' Association. Paul A. Kerin, Secy. Thomas Bldg. (1). Central 6273.

*#† **El Paso.** Tri-State Association of Credit men. J. L. Vance, Secy.-Mgr. P. O. Box 1946. 2-4645.

Fort Worth. Fort Worth Association of Credit Men. J. H. Murphy, Secy. 2301 Westbrook (11). 8-8377.

† **Houston.** Houston Association of Credit Men Inc. R. C. Weatherly, Jr., Secy.-Mgr. 919 M & M Bldg. (2). Atwood 8-6641.

† **San Antonio.** San Antonio Wholesale Credit Men's Association. James Caldwell, Secy.-Mgr. 518½ W. Market (5). Cathedral 7106,7.

Waco. Waco Wholesale Credit Men's Association, Inc. O. B. Lusk, Jr., Secy.-Treas. c/o Clifton Mfg. Co. P. O. Box 2029. 1700.

UTAH

*#† **Salt Lake City.** Intermountain Association of Credit Men. D. K. Porter, Secy.-Mgr. P. O. Box 866, Unit #10 (1). 4-6457.

VIRGINIA

Bristol. Appalachian Association of Credit Men. J. Gordon Shankel, Secy. P. O. Box 963, Bristol Va.-Tenn. 1169.

Norfolk. Norfolk-Tidewater Association of Credit Men. Charles R. Field, Secy. c/o Norfolk Newspapers, Inc. 150 W. Brambleton Ave. 5-1431.

*#† **Richmond.** Richmond Association of Credit Men. Harry Boswell, Secy. 402 Travelers Bldg. (19). 2-0111.

Roanoke. Roanoke Association of Credit Men. R. H. Gleason, Secy. P. O. Box 2045. 2-3137.

WASHINGTON

Bellingham. Bellingham Association of Credit Men. W. F. Fisher, Secy.-Mgr. 520 Bellingham National Bank Bldg. 702.

*#† **Seattle.** Seattle Association of Credit Men. C. P. King, Secy.-Mgr. 6th Floor, Marion Bldg. (4). Seneca 2400.

Spokane. Spokane Merchants Association. C. O. Bergan Secy. 805 Realty Bldg. (8). Main 1377.

*# **Tacoma.** Tacoma Association of Credit Men. M. J. Davies, Secy.-Mgr. P. O. Box 1346 (1). Main 2151.

WEST VIRGINIA

Bluefield. The Credit Bureau of Bluefield, Inc., Whlse. Credit Div. Sam E. McCulloch, Secy. P. O. Box 615.

Charleston. Charleston Association of Credit Men. Ralph H. Smith, Secy. P. O. Box 926 (23). Capitol 3-4525.

† **Clarksburg.** Central W. Va. Credit and Adjustment Bureau. U. R. Hoffman, Secy. and Mgr. 408-9 Union National Bank Bldg. 1622.

† **Huntington.** Tri-State Association of Credit Men. C. C. Harrold, Secy.-Treas. and Mgr. Box 1120 (14). 6084.

Parkersburg. Parkersburg-Marietta Association of Credit Men. A. C. Bueter, Secy. c/o Monongahela Power Co. P. O. Box 1338. 7-6421.

† **Wheeling.** Wheeling Association of Credit Men. C. E. Smith, Secy.-Mgr. 620 Central Union Bldg. 1732,3.

WISCONSIN

*#† **Green Bay.** Northern Wisconsin-Michigan Association of Credit Men. R. C. Creviston, Secy.-Mgr. 605 Bellin Bldg. Adams 256.

Madison. Madison Association of Credit Men. Frank J. Mazer, Secy. c/o Oscar Mayer & Co. 910 Mayer Ave.

*#† **Milwaukee.** Milwaukee Association of Credit Men. H. S. Garness, Secy.-Mgr. 646 Milwaukee Gas Light Co. Bldg. (2). Daly 8-6062.

Oshkosh. Central Wisconsin Association of Credit Men. Charles O. Breen, Secy. 305 1st National Bank Bldg., Stanley 154.

TERRITORY OF HAWAII

Honolulu. Honolulu Association of Credit Men. A. A. Smith, Secy. c/o Credit Bureau of Hawaii. P. O. Box 3738 (10).

Cleveland Members Observe Central Bank's Operations

Cleveland: Central National Bank of Cleveland, whose founder, Jeremiah J. Sullivan, was the first president of the Cleveland Association of Credit Men, invited the members to a dinner meeting and tour of the bank's new quarters on Friday, January 20.

The tour commenced at 3 p.m. in order that the members could observe the bank's operations during regular working hours. Staff members acted as guides and explained the bank's various facilities. At 4:45 the meeting commenced and consisted of two talks on the subject "What I foresee in business and industry during 1950." Speakers were Robert Seltzer, financial editor of the Cleveland *Press*, and William P. Carlin, director of research and development, Republic Steel Corporation.

Fawsett Elected President of Washington Association

Washington, D. C.: Edward H. Fawsett, Washington Evening *Star*, has been named president of the Washington Association of Credit Men. Other officers elected at the annual meeting are John M. Castell and William V. Lee, vice-presidents.